

भारतीय खाद्य निगम
मुख्यालय
16-20, बाराखम्बा लेन, नई दिल्ली - 110001
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FOOD CORPORATION OF INDIA,
HEADQUARTERS
16-20, BARAKHAMBA LANE,
NEW DELHI - 11001
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No.Accts/GST/9(4)/2017

Dated: 28.06.2018

CIRCULAR NO. 1237/ACCTS

Sub: Sales accounting of un-lifted stock as on 31st March.

Significant Accounting Policy of the Corporation in respect of sales transaction is as under:-

“Sales are recorded on issue of foodgrains based on the allocation at the Central Issue Price (CIP)/ Economic Cost/ accepted tender rate as applicable.”

2. Accounting treatment of sales transaction is to be done as per above referred Accounting Policy. This system is being followed in the Corporation and sales accounting is done on the basis of stock issued from the depot as per monthly stock account.

3. After implementation of GST w.e.f. 01.07.2017, Tax Consultant M/s EY has examined this issue with reference to provisions in the GST Act and has recommended for issuance of Bill of Supply/Tax Invoice at the time of release order and to make sales entry on the basis of the Release Order. The instructions were circulated vide Taxation Division Circular No.F-19/GST/2016-17/Fin/GST-9 dated 30.06.2017. Accordingly to maintain uniformity across the Organisation following set of entries should be passed in FAP books of accounts w.e.f. 01.04.2018

3. A. (Sales on prepayment basis)

(I) On issues of Release order

- a) Standard Receipt to be entered.
- b) Transaction with appropriate sales head to be created and Bill of supply/Tax Invoice to be issued.
- c) Receipt to be applied to transaction as created above.

(II). For Unlifted stock, following entries are to be passed:

(a)On month End :- (Apr to Feb)

Contd...P/2

A Stock reconciliation statement (as per Tally XIII format) is to be prepared for reconciling MSA with SLS and Unlifted quantity to be shown under Heading Stock held by FCI-but not FCI property. No Accounting entry is to be done for un lifted stock at month end.

Subsequently if the stock is lifted during next month with in same year, no entry is to be passed. Only MSA reconciliation statement will be affected.

Regional office to ensure that Stock reconciliation statement is invariably prepared every month and is reviewed by Regional office during Monthly Meeting and also during visit of RO officers to District offices.

(b) During the March month end (Being the Year end month) , the credit memo for unlifted stock (as given in next paras), will be entered on 31st Mar 2XXX. **This will ensure there is no difference between MSA and SLS due to unlifted stock as on 31st Mar 2XXX.**

In other case the credit memo will be passed on actual dates of adjustment or refund

(III) For Refund of payment (In case of unlifted stock)

In certain cases, Stock may not be lifted and refund may have to be made. In such cases following entry shall be passed

Credit Memo: - (In AR Module)

Party A/c:- (Cr) EE16.0000000.1806.0000.0000.0000.0000
(Receivable)

Sales A/c:- (Dr) EE16.EE16005.5701.0101.0425.0000.0000(Revenue)

Transaction :- (In AR Module)

Party A/c:- (Dr) EE16.0000000.1806.0000.0000.0000.0000
(Receivable)

Party A/c:- (Cr) EE16.0000000.1806.0000.0000.0000.0000 (Revenue)

Apply the Credit Memo to transaction and a Standard Invoice will be automatically created in payable module, which should be used for payment.

(IV) In Case Amount in respect of unlifted stock is adjusted against other Release order:-

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Eg.:- Out of Rs 15,00,000/-, Unlifted quantity is equivalent to Rs 10000/-

For unlifted stock a credit memo (In AR Module) will be prepared as below:

a) Credit Memo: - (In AR Module)

Party A/c:- (Cr) EE16.0000000.1806.0000.0000.0000.0000
(Receivable) (-Rs10000)

Sales A/c:- (Dr) EE16.EE16005.5701.0101.0425.0000.0000 (Revenue)
(-Rs10000)

The same will be applied on to new transaction created for fresh Release order where Rs10000/- short have been received.

3. (B) Sales on Post Payment Basis (MDM etc.)

((I) On issues of Release order

a) Transaction with appropriate sales and debtor head to be created and Bill of supply/Tax Invoice (as applicable) to be issued.

b) When payment is received from the parties concerned, receipt to be applied to transaction as created above.

(II) For Unlifted stock, following entries are to be passed:

(a) On month End :- (Apr to Feb)

Same as 3 (A,II, a) Above.

(b) During the March month end (Being the Year end month) , the credit memo for unlifted stock (as given below), will be entered on 31st Mar 2XXX. **This will ensure there is no difference between MSA and SLS due to unlifted stock as on 31st Mar 2XXX. Further debtor will also be reduced to the extent foodgrains are not lifted.**

Party A/c:- (Cr) EE16.0000000.4661.0000.0000.0000.0000
(Receivable)

Sales A/c:- (Dr) EE16.EE16005.5701.0101.0406.0000.0000 (Revenue)

Please ensure to take same revenue and receivable head taken at the time of issue of release order as at 3(B)(I)a.

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4. All the Accounting Units are requested to review the Accounts as per above advice and wherever required, accounting entry be passed in the Accounts of 2017-18 in respect of un-lifted stock as on 31.3.2018.

5. The accounting treatment as referred above for reversal of sale in respect of un-lifted stock as on 31st March of each year be passed in each accounting year also from the next year.

(Pukhraj Tak)
20/6/18
(Pukhraj Tak)

Chief Genl. Manager (A/cs)

Distribution:

1. All CGM (F&A/IA)/GM (F&A) in Headquarters/Zones.
2. GM (Cost/Fin /CPF/FAP/Fund/Pension), FCI, Headquarters, New Delhi.
3. All GM/DGM/AGM (IA&PV) in Hqrs./Zones/Regions.
4. AGM (Bills/IA/Computer), FCI, Headquarters', New Delhi.
5. The Director, IFS, FCI, Gurgaon, Haryana.
6. All DGM (F&A)/AGM (A/Cs), FCI, Regional Offices.
7. All Area Managers.

Copy to:-

1. The Principal Director of Commercial Audit (MAB-IV), 8th, 9th Floor
10- Bahadur Shah Zafar Marg, New Delhi-110002.
2. The Dy. Director of Commercial Audit, FCI Hqrs. Khadya Sadan,
New Delhi.
3. The Director of Commercial Audit, 4th Floor, 27-Mirza Galib Street,
Kolkata.
4. The Dy. Director (Commercial) Account Audit, Principal Director
(Commercial Account Audit) M.A.B-4A, 3rd floor, F.C.I. Building, 8 Meyar,
Satya Murti Marg, Chitpait, Chennai.600031.
5. The Dy. Director of Commercial Audit, M.A.V-4 CAG/Audit, Branch Office,
7th Floor, Audit Building, Plot No. 25- C, Behind Income Tax Office,
Bandra Kurla Complex, Mumbai-400051.
6. The Dy. Director (Commercial) Account Audit, M.A.V.-4, CAG
(Audit)/Punjab, New A.G. (Audit) Building, First Floor, Sec- 17E,
Chandigarh- 160017.
7. The Sr. Regional Audit Officer, C/o General Manager (Region), FCI,
Regional Office,TC/3V, VibhutiKhand, Gomti Nagar, Lucknow.