



Notification for GST

Subject: Vendor details required for record under Goods & Service Tax ('GST') regime

As you must be aware that GST is proposed to be implemented in India w.e.f. 1st July 2017 and it is not merely a tax reform but a business reform in itself. GST would replace all the indirect taxes levied on goods and services by the Centre and States. Therefore, it is pertinent to for each one of us continuously engaged and be prepared to smoothly transition on its introduction.

In view of the same, this communication is being made to all our business partners in order to enable them to undertake the necessary steps captured below, well in advance. This will ensure that the efficiencies of GST are built into the system and the change is implemented without any hindrances:

- Obtain the provisional GST Identification Number on time from the Government and provide us an update in this regard
- Work on the current pricing, if required, (post building the efficiencies arising on account of GST at your procurement & output leg)
- Provide a plan to implement GST compliant invoices along with HSN (Harmonised System of Nomenclature i.e. Excise classification) / SAC codes(Service Accounting Code to be specified by the Government shortly) and tax at line level (wherein line level means the reporting in the GST return for each line item coming in invoice having a separate HSN/ SAC code)
- Establish a process to avoid input GST mismatching
- Ensure appropriate training to your finance, tax, sales & procurement team
- Ensure that your accounting software are upgraded to provide the reports required for filing returns under the GST regime

In the above context, we wish to highlight that the tax payers under the GST regime will be required to upload the invoice level (i.e. transaction level) detail online, while filing the GST Returns. These details will be auto-reconciled with the invoice level detail uploaded by your customers. Accordingly, the system will determine the eligibility of input tax credit for the tax payer. In case of any mismatch in details of GSTN, the input tax credit is likely to be denied, leading to additional tax cost for the buyer. The system is in line with the current system of traces (i.e. Form 26AS under the Income tax laws) but will work on a real time basis (i.e. monthly). It may be noted that Air India vendors would only be able to claim the input tax credit if they report transactional level supplies appropriately. This is to ensure that there is no breakage in the credit chain for transactions between Air India and its vendors. For smooth transition to GST regime, it is imperative that all our vendors are GST ready and GST compliant.



However, in case of any non-compliance, the vendors would not be able to avail the full benefit of GST, input credits, etc, leading to impacting the supply chain.

In view of the above, we request you to provide us the relevant information related to your GSTN details. We are attaching herewith a template for the requisite data. You are requested to fill the appropriate details and forward the same to FI.ERP@airindia.in

We are pleased to have you as a valued business partner and we sincerely look forward to continuing our relationship in the future.

Thank you for your partnership, integrity and professionalism.

Enclosed:

1. Annexure 1- GST Vendor Data collection form