



सत्यमेव जयते

**Controller General of Defence Accounts**  
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(IAW-9)  
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IAW/9/9504/GST/Query

Dt.: 18.12.2017

To,

Dte of Fin & Materials Management  
'A' Block, 1st Floor, DRDO Bhawan,  
New Delhi- 110 011

**Sub: Registration with GST for disposal of scrap/unserviceable items.**

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This has the reference to this office letter bearing no. DFMM/II/GP/0000117/M dt. 05.10.2017.

2. In this context, please find enclosed a copy of reply received from MoD(Fin), GST Facilitation Cell w.r.t. this office letter bearing no. IAW/9/9504/GST/Query dt. 20.11.2017 for information and necessary action at your end please.

  
ACGDA(IAW)

Copy to:

EDP Cell(Local)

: For uploading on CGDA Website.

  
ACGDA(IAW)

Government of India  
Ministry of Defence (Finance)  
GST Facilitation Cell

Subject: Registration with GST for disposal of scrap/unserviceable items.  
Reference: UO No. IAW/9/9504/GST/Query dated 20-11-2017.

The query from CGDA office in regard to onus on payment of GST/tax to Govt has been examined in GST Facilitation Cell MoD and the issue here is in relation to disposal of scrap/unserviceable items held at various DRDO labs through MSTC Ltd. The MSTC is of the view that invoice is to be issued at the time of delivery of goods and also to have correct information about exact quantity, transportation details, classification number, place of supply and may other information which MSTC would never be able to have on real time basis. Perhaps, MSTC desires this aspect to be handled by DRDO itself. We are of the view that the issue needs to be sorted out by the concerned parties with mutual agreement, though payment of GST (on disposal of scrap/unserviceable items) is now on reverse charge basis and onus on payment of GST will be on recipient.

2. This issues with the approval of AS & FA(Acq).

  
(Umrav Meena)  
SO (GST)

Tel No. 23013828

Email: umrav.meena7@nic.in

Shri R S Agarwal, ACGDA, Ullan Battar Road, Delhi Cantt  
MoD(Fin/GS-II) ID No. 30(10)/GS-II/2017 Pt-III dated 08.12.2017

13/12  
920/GST  
Please put up.  
LD  
14/12/17  
AAO(GST)



		<p>case since they are liable to be registered under the law as stated above unless specific exemption is granted.</p> <p>c. Accordingly and to MSTC view, the payment of tax under the RCM may not be suitable in DRDO case.</p>	<p>relation to the supply of such goods and services".</p> <p>When a person becomes liable to pay tax on the reverse charge, certain provisions like threshold exemption, time of supply, availing of input credit changes. There is a threshold limit for registration for normal tax payers but under reverse charge, there is no such limit. The person has to be registered under GST irrespective of the aggregate limit.</p>
3.	Onus on payment of tax	<p><b>Onus on payment of tax:</b></p> <p>In the normal course, the tax would be payable by the supplier of goods and / or services. So, the complete onus of the GST will be on the supplier / seller of the Goods, and MSTC which is your service provider will not be able to collect GST on behalf of any department as per the new provisions. Further invoice is to be issued at the time of delivery of goods and also to have correct information about exact quantity, transportation details, classification no, place of supply and many other information which MSTC would never be able to have on real time basis.</p>	The same will be referred to MoD (Fin) for clarification.

2. For better appreciation of the case. It is requested that necessary guidelines/ instructions/clarification on the subject issue may kindly be provided to CGDA HQrs please.

  
 Jt. CGDA (GST Cell)

GST Cell, MoD(Fin)  
 South Block , New Delhi

UO No. IAW/9/9504/GST/Query dt.: 20 11.2017

Copy to:

DRDO HQrs  
 Rajaji Marg  
 New Delhi

For information w.r.t the above mentioned letter.

  
 Sr. Accounts Officer