



IndiGo

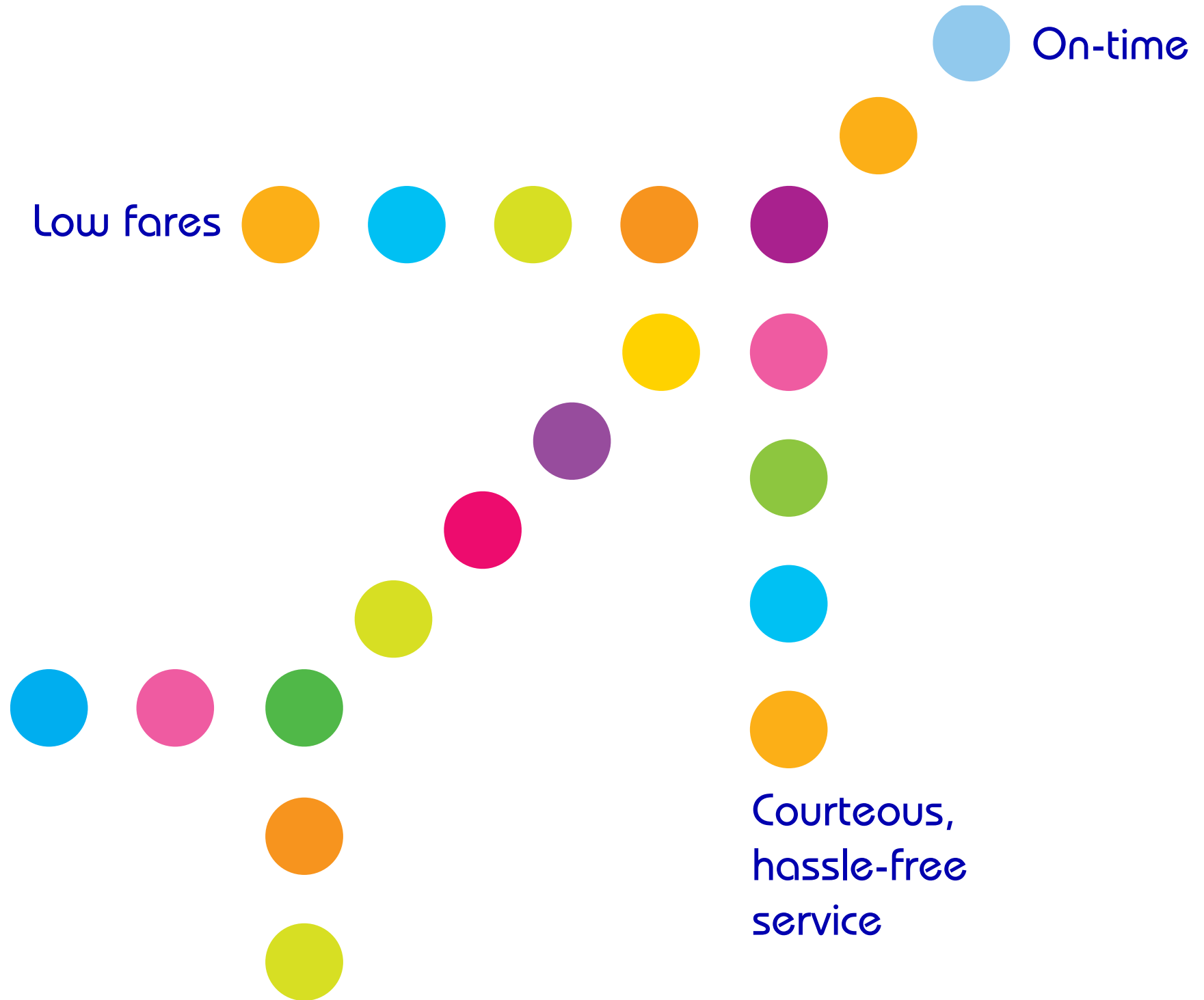
Goods and Services Tax(GST)

March 2018

GST– An Introduction

- GST is a destination based Indirect Tax which has subsumed in itself a host of Indirect Taxes.
- The Act came into effect on 1st July 2017.
- GST is a dual levy with State/Union territory GST and Central GST. Further, inter–state supplies would attract an Integrated GST.
- Cargo Agents being resellers/distributors are the service recipients and hence provide details of their GST registration.
- It is mandatory for Cargo agents to add their company's GST details at the time of AWB execution.
- Amendments to AWBs is not allowed once it get executed.
- The airline would upload all invoices on the GST portal within the stipulated timeline.
- The prevailing GST rate is 18 per cent.

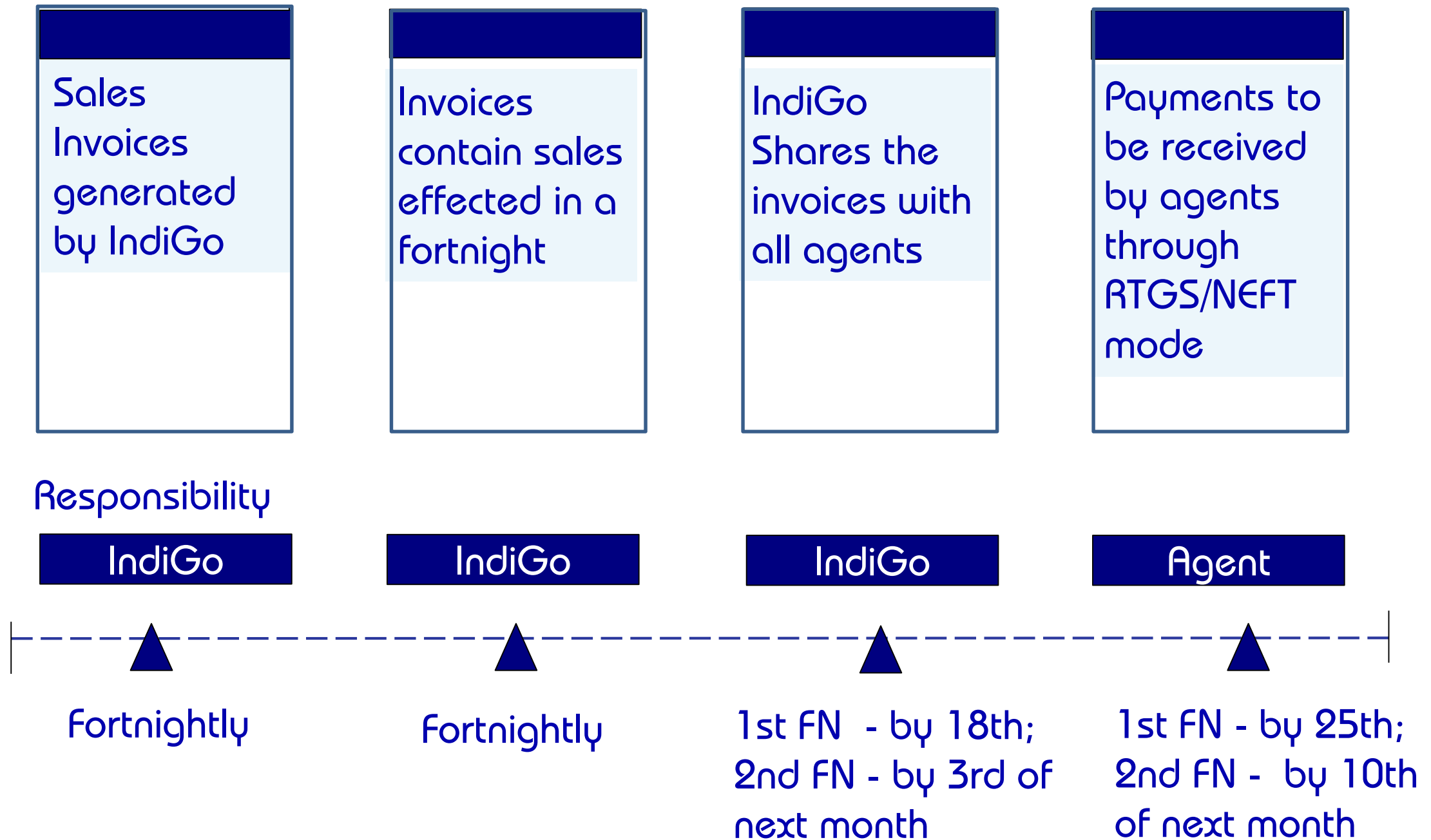
Cargo Sales



GSTIN Input while booking and executing AWBs - Mandatory

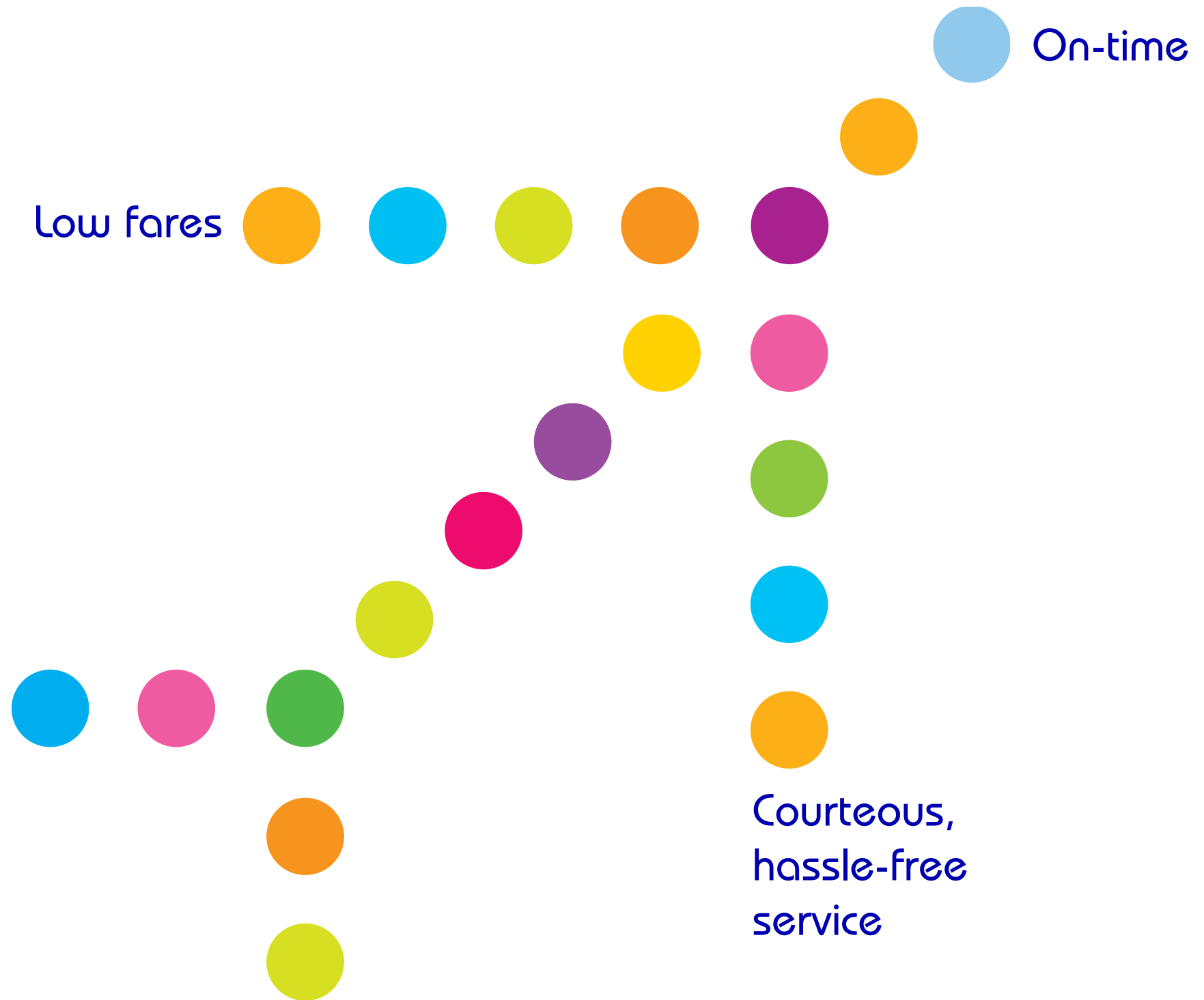
- IndiGo is registered in all the states it operates from.
- The state-wise GSTINs of IndiGo are available on the website (<https://www.goindigo.in/information/6e-gstin.html>)
- The agent's GSTIN is updated in the Master basis agent communication.
- The relevant GSTIN is picked up at the time of booking cargo.
- Any updation to the GSTIN should be communicated to IndiGo. The updated GSTIN would be effective from the following month.
- If GSTIN is not communicated, the booking shall be confirmed as a B2C booking
- GSTIN cannot be updated on a B2C booking at a future date.

Process Flow of Invoices for cargo sales



FN stands for Fortnight

Commission/Incentive



Commission and Incentives

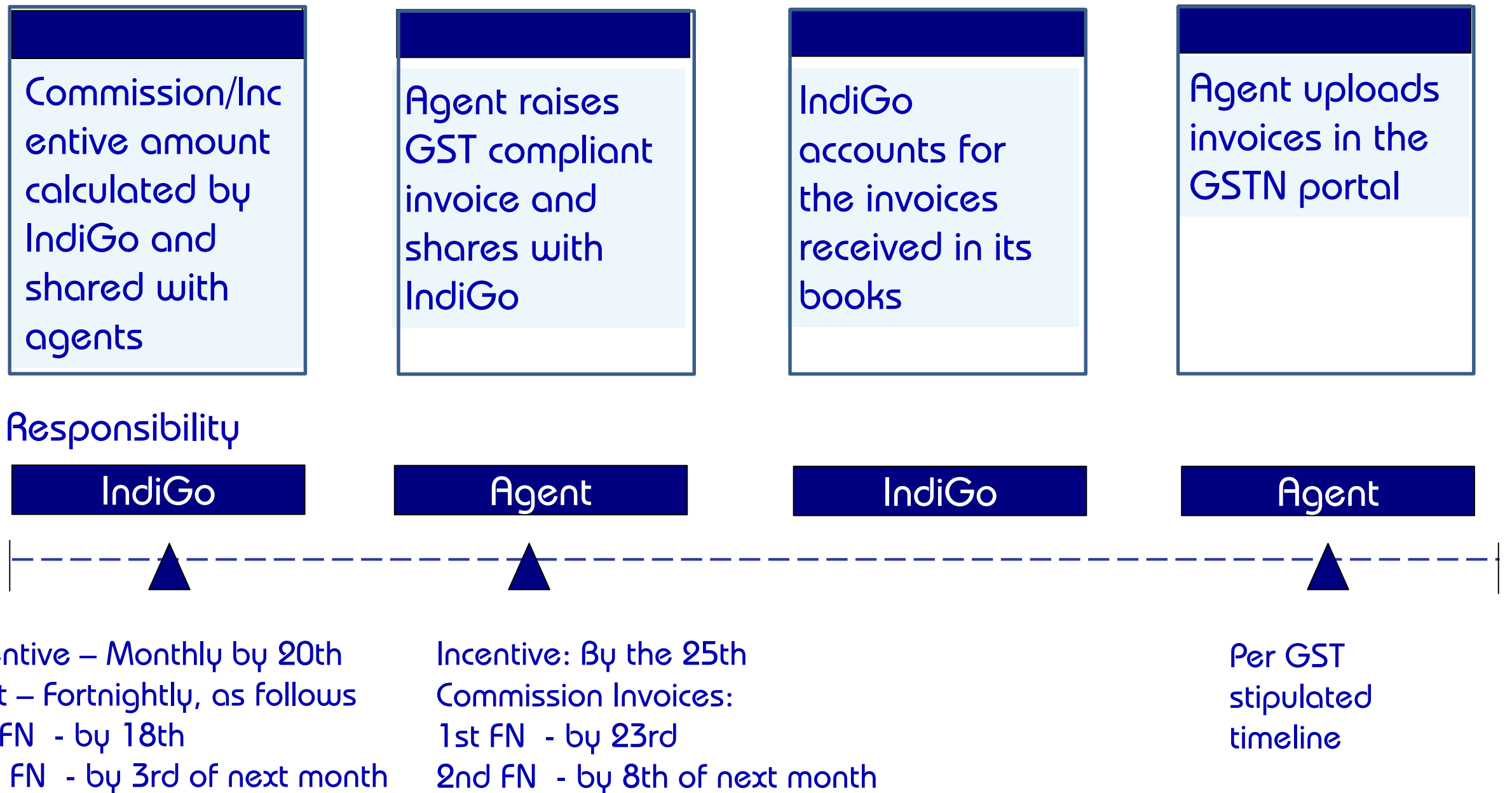
To incentivize the agents and enhance the cargo sales, IndiGo pays commission/incentive to them. Agents raise an invoice on IndiGo for the same. Commission and Incentive invoices should be location(state) based.

- Commission amount to match with that on the GST Invoices submitted to IndiGo
- The amount reflecting in GSTIN invoices shall be final.
- Any amendment to invoice will be done through Credit/Debit note, as applicable.
- Commission & Incentive invoice to be provided within 5 days from the date of issuance of CSR summary issued by IndiGo.

Classification of cargo agents from a GST perspective:



Process Flow of Invoices



*GST under Reverse Charge mechanism (deferred till 31st March 2018) is applicable in case of agents with billing up to INR 20 lakhs (INR 10 Lakhs in few states) in a financial year. If billings exceed the INR 20/10 lakhs, then agent needs to be registered.

Some Do's and Don'ts

Do's

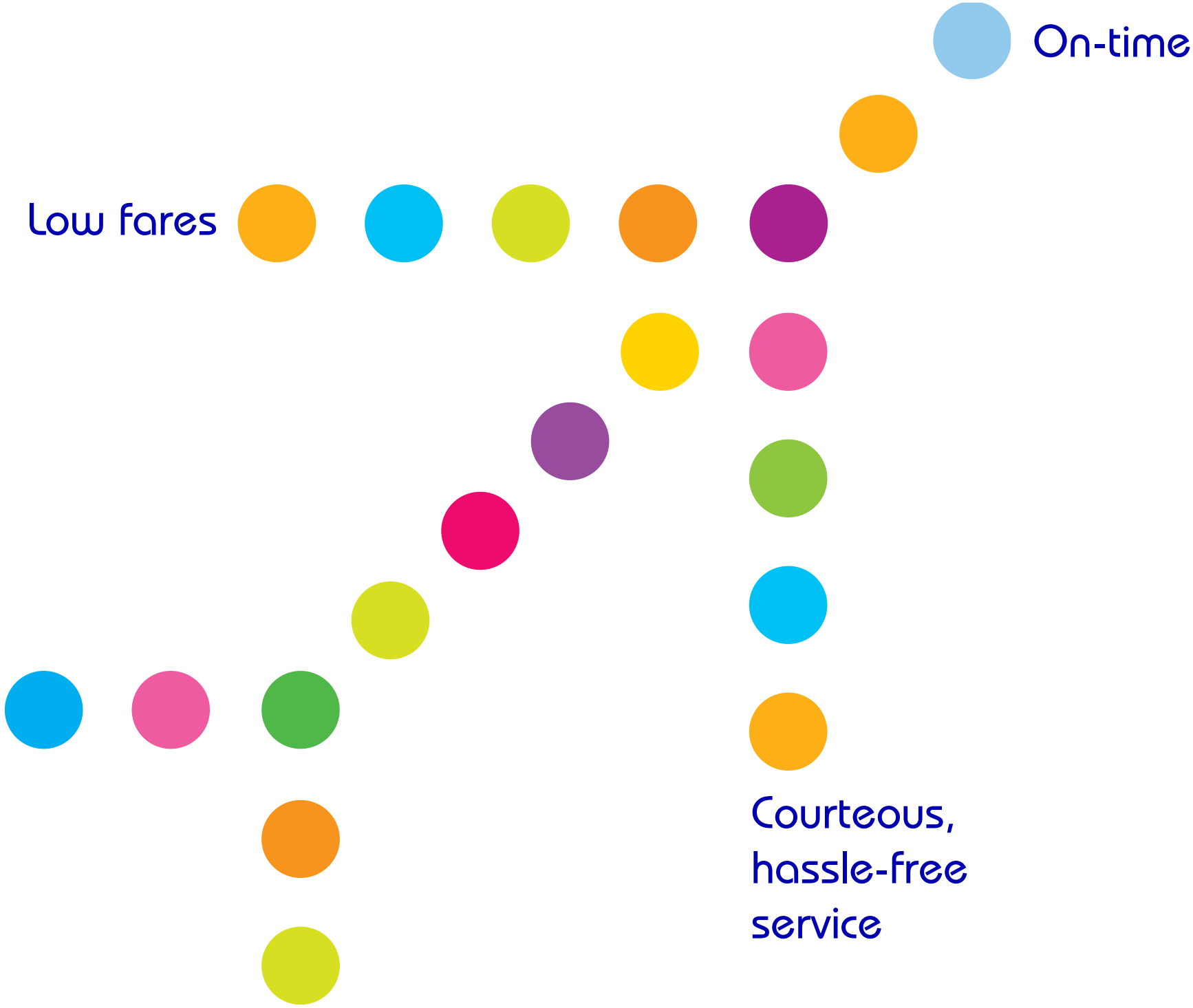
- ✓ Ensure correctness of GSTIN
- ✓ Ensure correctness of rate & class of GST (CGST/SGST/IGST) applied on invoices
- ✓ Ensure that each invoice has a unique serial number
- ✓ Issue tax invoice while claiming commission
- ✓ Upload invoices timely on the GST portal

Don'ts

- ✗ Do not over-write on the invoice.
- ✗ Do not cancel the invoice. Instead, use credit note in case of cancellation of supply of services

Please reach out to Team IndiGo for any clarification

E-Waybill



E-way bill: Key points

- E-way bill to be generated for goods / consignments whose value exceeds INR 50,000 or as stated by the regulation from time to time
- To be generated by the GST registered person (consignor/consignee).

| Scenario | Consignor | Consignee | Responsibility of generation |
|----------|--------------|--------------|------------------------------|
| A | Registered | Registered | Consignor/Consignee |
| B | Registered | Unregistered | Consignor |
| C | Unregistered | Registered | Consignee |

With effect from 1st April 2018, every consignment will have to be accompanied by a valid E-way bill.

Both Part A and Part B (including Airway Bill issued by IndiGo) of the E-way Bill should be filled up by Consignor/Consignee.

E-way bill: Key points contd..

- E-way bill is valid for certain period given in the table below:

| Sl. No. | Distance | Validity Period |
|---------|-------------------------------------|--------------------|
| 1 | Upto 100 KM | One day |
| 2 | For every 100 KM or part thereafter | One additional day |

- IndiGo to obtain following documents from shipper before accepting cargo
 - The tax invoice or bill of supply or bill of entry or delivery challan;
 - Copy of the E-way bill (EWB-01) after completing Part A and Part B
- Specific declaration from the consignor where the cargo is accepted without e-way bill stating
 - Value of goods (including GST) doesn't exceed INR 50,000/-
 - Such movement of goods fall under specified scenarios wherein no e-way bill is required as per regulation

