



PUNJAB STATE TRANSMISSION CORPORATION LIMITED

(Regd. Office: PSEB, Head Office, The Mall, Patiala-147001, Punjab, India)

Corporate Identity Number - U40109PB2010SGC033814,

Office of CFO (Taxation Section), Shakti Sadan, Patiala

E-mail: ao-taxation@pstcl.org, Tel/Fax No. 0175-2203637

GST Circular no.07/2017

To

1. Chief Engineer/P&M PSTCL, Ludhiana.
2. Dy. CE/SE, P&M PSTCL, Jalandhar.
3. Dy. CE/SE, P&M PSTCL, Amritsar.
4. Addl. SE/Sr. Xen, P&M Division, Dasuya.
5. Addl. SE/Sr. Xen, P&M Division, Jamsher.
6. Addl. SE/Sr. Xen, P&M Division, Sarna
7. Addl. SE/Sr. Xen, 400KV S/S Nakodar.

Memo No: - 3399-3405/CFO/Taxation/38

Dated: -09.08.2017

Subject: -Charging of GST on Operation & Maintenance (O&M) charges received from Power Grid Corporation of India limited (PGCIL)for operation & maintenance of bays of PGCIL.

As per MOU signed between the PSTCL and PGCIL, P&M division Dasuya, P&M division Sarna and P&M division Jamsher are maintaining bays of Power Grid installed at their sub stations. As per MOU terms & conditions, PSTCL will submit quarterly O&M bills as per charges agreed between both parties and PGCIL is liable to pay taxes applicable on it. Before 01.07.2017 Service tax @15% was leviable on O&M charges received from PGCIL.

Since from 01.07.2017 Goods & Service Tax is applicable on O&M charges received from PGCIL, the provisions for charging of GST on above are as under:

1. Determination of Nature of Supply of Goods

As per Section 7 of the IGST Act, where the location of the supplier and the place of supply are in

- (a) two different States;
- (b) two different Union territories; or
- (c) a State and a Union territory,

shall be treated as a supply of goods in the course of Inter-State trade or commerce.

And

Where the location of the supplier and the place of supply of goods are in the same State or same Union territory shall be treated as intra-State supply.

In case of PSTCL, the respective P&M division provides O&M services relating to bays of PGCIL at sub stations situated in Punjab and PGCIL has obtained GST registration in Punjab as well (Provisional GSTIN of PGCIL in Punjab is 03AAACP0252G1Z3). In view of above provisions of law and terms & conditions of MOU supply of service is treated as Intra State supply and CGST and SGST is charged on O&M charges received from PGCIL.

2. Time of supply in case of Services (Section 13 of the CGST Act, 2017)

The liability to pay tax on services shall arise at the time of supply, as determined in accordance with the provisions of this Section. The time of supply of services shall be the earliest of the following dates, namely:-

- (a) the **date of issue of invoice** by the supplier, if the invoice is issued within the period prescribed under sub-section (2) of section 31 (**i.e. within 30 days**) or the **date of receipt of payment, whichever is earlier; or**
- (b) the **date of provision of service**, if the invoice is not issued within the period prescribed under sub-section (2) of section 31 or the **date of receipt of payment**, whichever is earlier; or
- (c) the date on which the recipient shows the receipt of services in his books of account, in a case where the provisions of clause (a) or clause (b) do not apply.

3. Rate of Tax

Rate of GST on O&M charges received from PGCIL as repair & maintenance service is 18%. For example rate of GST on above is 18%, then 9% is charged as CGST and 9% is charged as SGST. (kindly refer Notification No. 11/2017 (Central Tax Rate) dated 28.06.2017 for rates on services)

4. Submission of information for deposit of Tax and filling of GST return

As already intimated vide GST circular no. 01/2017 that PSTCL has obtained a centralized registration number of GST by migrating from its existing VAT registration number and all Service Tax registration numbers. Therefore after the introduction of GST its compliance regarding deposit of tax, filling of returns etc. will be made at the central level.

To comply the above provisions in respect Operation & Maintenance (O&M) charges received from Power Grid Corporation of India limited (PGCIL) for maintenance of bays of PGCIL concerned offices will send the complete information to AO/CPC, Patiala O/o Financial Advisor, PSTCL within the prescribed time for centralized depositing the tax at the end of each month and to file the requisite information in Return for the outward supply in Form GSTR-1 which is required to be filed on or before 10th of the following month in such format as required by AO/CPC, Patiala for which guidelines/format regarding collection of data as required for preparing and filling of return in the Form GSTR-1 (upto the 10th of following month) will be issued separately by their office.

This is issued with the approval of Director/F&C, PSTCL Patiala.

vipam Kaurseel

Accounts Officer/ Taxation
PSTCL, Patiala.

Endst No: -3406-3485/Taxation/38

Dated: - 09.08.2017

Copy of the above is forwarded to the following for information and further necessary action please.

1. Engineer-In-Chief/TS, PSTCL, Patiala.
2. Chief Engineer/SLDC, PSTCL, Patiala.
3. Chief Engineer/HIS&D PSTCL, Patiala.
4. Financial Advisor PSTCL Patiala.
5. Company Secretary, PSTCL.
6. Chief Auditor, PSTCL, Patiala
7. All Addl. SEs/Sr. Xens/AOs (DDOs of PSTCL)
8. All Dy.CEs/SEs under PSTCL.
9. All Dy. CAOs / Dy. CAS / Dy. FAs under PSTCL.
10. All Addl. SEs/Sr. Xens (other than DDOs).
11. All AOs under PSTCL (other than DDOs).
12. SE/IT, PSTCL, Patiala for placing the circular on website of PSTCL

vipam Kaurseel

Accounts Officer/Taxation
PSTCL, Patiala.

CC:

1. Sr. PS to CMD, PSTCL, Patiala for kind information of CMD, please.
2. Sr. PS to Director/F&C, PSTCL, Patiala for kind information of Director, please.
3. Dy. Secy. to Director/Tech., PSTCL, Patiala for kind information of Director, please.
4. Sr. PS to Director/Admn., PSTCL, Patiala for kind information of Director, please.