



PUNJAB STATE TRANSMISSION CORPORATION LIMITED
(Regd. Office: PSEB, Head Office, The Mall, Patiala-147001, Punjab, India)
Corporate Identity Number - U40109PB2010SGC033814,
Office of CFO, AO/Taxation, Shakti Sadan, Patiala
E-mail: ao-taxation@pstcl.org, Tel/Fax No. 0175-2203637

GST Circular 09/2018

To

All Addl. SEs/Sr. Xens/AOs (DDOs)
Under PSTCL

Memo No: - 2383-2430/CFO/Taxation/38

Dated: - 12.09.2018

Subject: - GST on Deposit and Contribution works executed by PSTCL on behalf of PSPCL and other agencies.

Deposit and contribution works is being executed by PSTCL on behalf of PSPCL and for other agencies. Regarding applicability of GST on deposit and contribution works as per the relevant provisions of the GST Act, an expert opinion has been sought. As per the expert opinion deposit and contribution Works are to be treated as supply of services. Regarding charging of GST on deposit and contribution works executed by PSTCL on behalf of PSPCL for other agencies, each DDO/Accounting unit of PSTCL shall follow the following procedure:

1. Deposit Works

Deposit works falls under the definition of Works Contract under Section 2(119) of the CGST Act, 2017 and the same shall be treated as supply of service as per clause 6(a) of Schedule II of the CGST Act, 2017.

Rate of GST on Deposit Works: Deposit works charged @18% (i.e. CGST 9%+SGST 9% or IGST18%) under Heading 9954 (Construction Services) on total cost i.e. Material cost + labour charges + Loading & Unloading charges + Storage charges + Contingency charges + Departmental charges thereon + Accounts & Audit Charges etc. except Labour Cess.

2. Contribution Works

As per Schedule II of the CGST Act, 2017 any transfer of right in goods or of undivided share in goods without the transfer of title thereof, is a supply of services and GST is required to be charged on entire amount received for contribution work.

Rate of GST on Contribution Works: Contribution works charged @ same rate of GST which is charged on the like goods involving transfer of title in goods i.e. 18% (like deposit works) under Heading 9971 (Construction Services) on total cost i.e. Material cost + labour charges + Loading & Unloading charges + Storage charges + Contingency charges + Departmental charges thereon + Accounts & Audit Charges etc. except Labour Cess.

3. Timing of Deposit of GST Collected

As per Section 13(2) of the CGST Act, 2017, 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 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.

Further, as per Explanation to Section 13(2) of the CGST Act, 2017, the date of receipt of payment shall be the date on which the payment is entered in the books of account of the supplier or the date on which the payment is credited to his bank account, whichever is earlier.

As the PSTCL is getting the advance payment for deposit and contribution works against the estimated amount, so in view of the provisions of the Section 13 as discussed above, the date of deposit of estimated amount in the bank account of concerned DDO or in the books of accounts (whichever is earlier) is to be reckoned for depositing the GST amount with the exchequer. **Hence, PSTCL is required to deposit the GST with the exchequer on receipt of advance payment against the estimate from third party for deposit and contribution works.**

4. Issuing of 'Receipt Voucher' at the time of receipt of Advances

Section 31 of the CGST Act, 2017 - Tax Invoice

As per Section 31(3) (d) of the CGST Act, 2017, a registered person, on receipt of advance payment with respect to any supply of services, required to issue a receipt voucher or any other document, containing such particulars as may be prescribed in Rule 50 of the CGST Rules, 2017- **Receipt Voucher**, evidencing receipt of such payment.

Hence, as per Section 31 of the CGST Act, 2017, **PSTCL is required to issue Receipt Voucher at the time of receipt of advances, which needs to contain particulars as specified under Rule 50 of the CGST Rules, 2017.**

5. Issuing of 'Tax Invoice'

Section 31 of the CGST Act, 2017 - Tax Invoice

As per Section 31(2) of the CGST Act, 2017, a registered person supplying taxable services shall, before or after the provision of service but within a prescribed period, issue a tax invoice, showing the description, value, tax charged thereon and such other particulars as may be prescribed. Tax Invoice should contain particulars which are given under Rule 46 of the CGST Rules, 2017

Rule 47 of the CGST Act, 2017 - Time limit for issuing tax invoice

Further, as per Rule 47 of the CGST Rules, 2017, the invoice referred to in rule 46, in the case of the taxable supply of services, shall be issued within a period of thirty days from the date of the supply of service (i.e. completion of Deposit and Contribution works).

Hence, as per above provisions, on supply of services, **PSTCL is required to issue Tax Invoice, which needs to contain particulars as specified under Rule 46 of the CGST Rules, 2017, within 30 days from such supply of services.**

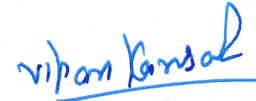
However no additional GST is required to be paid at the time of issue of invoice upto the amount of GST already paid on the basis of receipt voucher (the amount received as advance from third party) i.e. if the amount of GST as per the Tax Invoice issued is less than or equal to the GST paid on Advance Received then there will be no additional liability of GST as it has already discharged. However, if the value of invoice is more than the value of receipt voucher/advance, then only the difference of GST charged in the invoice and receipt voucher shall be deposited with the exchequer.

6. Issuing of Refund Voucher

As per Section 31(e) of the CGST Rules, 2017, where, on receipt of advance payment with respect to any supply of goods or services or both the registered person issues a receipt voucher, but subsequently no supply is made and no tax invoice is issued in pursuance thereof, the said registered person may issue to the person who had made the payment, a refund voucher against such payment.

Hence, in view of the above provisions, if taxable value of the services provided by PSTCL is less than the amount received as advances, PSTCL will issue Refund Voucher as per the PSTCL regulations for the amount for which no supply of services is made.

Receipt voucher, GST Invoice and Refund voucher shall be generated through the GST software developed by the PSTCL. Further meticulous compliance of the above provisions of CGST Act be ensured by all the accounting units and provide the necessary information to AO/CPC, PSTCL for timely deposit of GST and filling of GST returns.



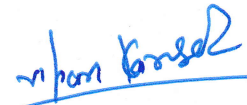
Accounts Officer/ Taxation
PSTCL, Patiala.

Endst No: - 2431-2467/CFO/Taxation/38

Dated: -12.09.2018

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

1. Chief Engineer/HIS&D PSTCL, Patiala.
2. Chief Engineer/SLDC, PSTCL, Patiala.
3. Chief Engineer/TS, PSTCL, Patiala.
4. Chief Engineer/P&M PSTCL Ludhiana.
5. CAO/F&A, PSTCL Patiala.
6. Company Secretary, PSTCL.
7. All Dy. CEs/SEs under PSTCL.
8. All Dy. CAOs / Dy. CAs under PSTCL.
9. All Addl. SEs/Sr. Xens under PSTCL (other than DDOs)
10. All AOs under PSTCL (other than DDOs).
11. SE/IT, PSTCL, Patiala for uploading the circular on website of PSTCL.



Accounts Officer/Taxation
PSTCL, Patiala.

CC:

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