



PUNJAB STATE TRANSMISSION CORPORATION LIMITED

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

Corporate Identity Number - U40109PB2010SGC033814,

Office of Chief Financial Officer (Taxation Section), Shakti Sadan, Patiala

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

GST Circular No. 04/2017

To

1. Engineer-In-Chief/TS, PSTCL Patiala.
2. Chief Engineer/SLDC, PSTCL Patiala.
3. Chief Engineer/P&M, PSTCL Ludhiana.
4. Chief Engineer/HIS&D, PSTCL Patiala.
5. Financial Advisor, PSTCL Patiala.
6. Company Secretary, PSTCL.
7. Chief Auditor, PSTCL, Patiala
8. All Addl. SEs/Sr. Xens/AOs (DDOs of PSTCL)

Memo No: -2543-2597/Taxation/38

Dated: -03.07.2017

Subject: Provisions related to Reverse Charge Mechanism (RCM) under GST law on supply of goods or services or both received by PSTCL from registered and unregistered person under GST law.

Central Govt. has notified July 1st, 2017 (i.e. appointed day) to implement the Goods and Services Tax in place of Central Excise, VAT (including WCT), Central Sale Tax and Service Tax law etc. PSTCL has obtained a centralized registration number of GST by migrating from its VAT registration number and all Service Tax registration numbers. From the July 1st, 2017, service tax paid under reverse charge mechanism by PSTCL under service tax law are subsumed in GST law and will be paid as per respective provisions of the GST law which is discussed as under:

1. Section 9(3) of the CGST Act, 2017

Specified Services received by PSTCL

The Central Government vide Notification No. 13/2017 (Central Tax Rate) dated 28.06.2017, on the recommendations of the GST Council has notified the categories of supply of specified services mentioned in column (2) of the Table below, supplied by a person as specified in column (3) of the said Table, the whole of central tax leviable under section 9 (3) of the said Central Goods and Services Tax Act, **shall be paid on reverse charge basis by the recipient of the such services** as specified in column (4) of the said Table:-

Table

Sl. No.	Category of Supply of Services	Supplier of service	Recipient of Service	GST rate (without any abatement)
(1)	(2)	(3)	(4)	(5)
1.	Supply of Services by a goods transport agency (GTA) in respect of transportation of goods by road to- (a) any factory registered under or governed by the Factories Act, 1948(63 of 1948);or (b) any society registered under the Societies Registration Act, 1860 (21 of 1860) or under any other law for the time being in force in any part of India; or (c) any co-operative society established by or under any law; or (d) any person registered under the Central Goods and Services Tax Act or the Integrated Goods and Services Tax Act or the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act; or (e) any body corporate established, by or under any law; or (f) any partnership firm whether registered or not under any law	Goods Transport Agency (GTA)	(a) Any factory registered under or governed by the Factories Act, 1948(63 of 1948); or (b) any society registered under the Societies Registration Act, 1860 (21 of 1860) or under any other law for the time being in force in any part of India; or (c) any co-operative society established by or under any law; or (d) any person registered under the Central Goods and Services Tax Act or the Integrated Goods and Services Tax Act or the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act; or (e) any body corporate established, by or under any law; or (f) any partnership firm whether registered or not under any law including association of persons; or (g) any casual taxable	5% (2.5% CGST & 2.5% Punjab GST (SGST) In case of Intra State Supply & 5% IGST in case of Inter State Supply

	including association of persons; or (g) any casual taxable person.		person; located in the taxable territory.	
2.	Services supplied by an individual advocate including a senior advocate by way of representational services before any court, tribunal or authority, directly or indirectly, to any business entity located in the taxable territory, including where contract for provision of such service has been entered through another advocate or a firm of advocates, or by a firm of advocates, by way of legal services, to a business entity.	An individual advocate including a senior advocate or firm of advocates.	Any business entity located in the taxable territory.	18% (9% CGST & 9% Punjab GST (SGST) In case of Intra State Supply) & 18% IGST in case of Inter State Supply
3.	Services supplied by an arbitral tribunal to a business entity.	An arbitral tribunal.	Any business entity located in the taxable territory.	18% (9% CGST & 9% Punjab GST (SGST) In case of Intra State Supply) & 18% IGST in case of Inter State Supply
4.	Services provided by way of sponsorship to any body corporate or partnership firm.	Any person	Any body corporate or partnership firm located in the taxable territory.	18% (9% CGST & 9% Punjab GST (SGST) In case of Intra State Supply) & 18% IGST in case of Inter State Supply

5.	Services supplied by the Central Government, State Government, Union territory or local authority to a business entity excluding, - (1) renting of immovable property, and (2) services specified below- (i) services by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than Central Government, State Government or Union territory or local authority; (ii) services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport; (iii) transport of goods or passengers.	Central Government, State Government, Union territory or local authority	Any business entity located in the taxable territory.	18% (9% CGST & 9% Punjab GST (SGST) In case of Intra State Supply) & 18% IGST in case of Inter State Supply
6.	Services supplied by a director of a company or a body corporate to the said company or the body corporate.	A director of a company or a body corporate	The company or a body corporate located in the taxable territory.	18% (9% CGST & 9% Punjab GST (SGST) In case of Intra State Supply) & 18% IGST in case of Inter State Supply
7.	Services supplied by an insurance agent to any person carrying on insurance business.	An insurance agent	Any person carrying on insurance business, located in the taxable territory.	18% (9% CGST & 9% Punjab GST (SGST) In case of Intra

				State Supply) & 18% IGST in case of Inter State Supply
8.	Services supplied by a recovery agent to a banking company or a financial institution or a non-banking financial company.	A recovery agent	A banking company or a financial institution or a non-banking financial company, located in the taxable territory.	18% (9% CGST & 9% Punjab GST (SGST) In case of Intra State Supply) & 18% IGST in case of Inter State Supply
9.	Supply of services by an author, music composer, photographer, artist or the like by way of transfer or permitting the use or enjoyment of a copyright covered under clause (a) of sub-section (1) of section 13 of the Copyright Act, 1957 relating to original literary, dramatic, musical or artistic works to a publisher, music company, producer or the like.	Author or music composer, photographer, artist, or the like	Publisher, music company, producer or the like, located in the taxable territory.	18% (9% CGST & 9% Punjab GST (SGST) In case of Intra State Supply) & 18% IGST in case of Inter State Supply

Note: - CGST and SGST shall be levied on Intra State supply of goods or services and IGST shall be levied on Inter State supply of goods or services. For example if rate of GST on one item is 18%, then 9% is charged as CGST and 9% is charged as SGST in case of intra state supply and 18% IGST is charged on Interstate supply.

2. Section 9(4) of the CGST Act, 2017

Taxable Goods and Services received by PSTCL from Unregistered Person (i.e. not registered under GST Law):

The central tax in respect of the **supply of taxable goods or services or both by a supplier, who is not registered, to a registered person** shall be paid by such person on **reverse charge basis** as the recipient and all the provisions of this Act shall apply to such

recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both.

As per above tax is paid on reverse charge basis on all taxable goods or services or both, if the same is received by PSTCL from **unregistered person**. It means the following services which were received by PSTCL earlier and covered under reverse charge basis in Service Tax law are also covered under GST law in reverse charge basis **if the same is received from unregistered person only**. The GST payable on these services is as under:

S.No.	Description of a service	Services received from Registered person	Services received from Unregistered person	GST Rate (without any abatement)
1.	Supply of Services by a goods transport agency (GTA) in respect of transportation of goods by road.	Yes (As specified under Section 9(3))	Yes (As specified under Section 9(4))	5% (2.5% CGST & 2.5% Punjab GST (SGST) In case of Intra State Supply) & 5% IGST in case of Inter State Supply
2.	Services supplied by an individual advocate including a senior advocate by way of representational services before any court, tribunal or authority, directly or indirectly, to any business entity located in the taxable territory, including where contract for provision of such service has been entered through another advocate or a firm of advocates, or by a firm of advocates, by way of legal services, to a business entity.	Yes (As specified under Section 9(3))	Yes (As specified under Section 9(4))	18% (9% CGST & 9% Punjab GST (SGST) In case of Intra State Supply) & 18% IGST in case of Inter State Supply
3.	Renting of Motor Cab ➤ If fuel cost is borne by service recipient then rate is 18%	No (As not specified under Section 9(3))	Yes (As specified under Section 9(4))	5% (2.5% CGST & 2.5% Punjab GST (SGST) In case of Intra State Supply) & 5% IGST in case of Inter State Supply

4.	In respect of services provided or agreed to be provided by way of supply of manpower for any purpose.	No (As not specified under Section 9(3))	Yes (As specified under Section 9(4))	18% (9% CGST & 9% Punjab GST (SGST) In case of Intra State Supply) & 18% IGST in case of Inter State Supply
5.	In respect of services provided or agreed to be provided in service portion in execution of works contract	No (As not specified under Section 9(3))	Yes (As specified under Section 9(4))	18% (9% CGST & 9% Punjab GST (SGST) In case of Intra State Supply) & 18% IGST in case of Inter State Supply

Note: -1 Further the similar provisions are contained in the Section 5 (3) & (4) of the IGST Act, 2017 in case of goods or services or both on which IGST is applicable i.e. received out of State.

Note: - 2 Above rates are only informative for above services only. For rates on taxable supply of Goods Notification No. 01/2017 (Central Tax Rate) dated 28.06.2017, for supply of exempt goods Notification No. 02/2017 (Central Tax Rate) dated 28.06.2017, for taxable supply of services Notification No. 11/2017 (Central Tax Rate) dated 28.06.2017 and for exempt supply of services Notification No. 12/2017 (Central Tax Rate) dated 28.06.2017, which is available on www.cbec.gov.in may be referred.

3. Issue of Invoice and Payment Voucher

- a) As per clause (f) of sub section 3 of Section 31 a **registered person** who is liable to pay tax under sub-section (3) or sub-section (4) of section 9 shall issue an invoice in respect of goods or services or both received by him from the **supplier who is not registered** on the date of receipt of goods or services or both.

In view of above provision, a registered person who received goods or services or both from **unregistered person** [(either under section 9(3) or 9(4)] is liable to pay tax under reverse charge mechanism and issue a **self-invoice** and provide the details in GSTR-2.

As per Rule 46 of Central Tax on Goods & Services Rules, 2017 where an invoice is required to be issued under Section 31(3) (f), a registered person **may issue a consolidated invoice at the end of a month** for supplies covered under sub-section (4) of section 9, the aggregate value of such supplies exceeds rupees five thousand in a day from any or all the suppliers.

- b) As per clause (g) of sub section 3 of Section 31 **a registered person** who is liable to pay tax under sub-section (3) or sub-section (4) of section 9 shall **issue a payment voucher at the time of making payment to the supplier.**

In view of above provision, a registered person who received goods or services or both and liable to pay tax under section 9(3) or 9(4) i.e. under reverse charge mechanism shall issue a payment voucher at the time of making payment to the supplier.

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 of receipt of goods or services covered under reverse charge basis, all DDOs/concerned office will send the complete information to AO/CPC, Patiala O/o Financial Advisor, PSTCL (who is presently dealing centrally VAT matters) within the prescribed time as may be separately intimated by their office for centralized depositing the tax under reverse charge basis for supply of goods and services and for preparing **consolidated self-invoice as mentioned above** at the end of each month and to file the requisite information in Return for the inward supply i.e. receipt of goods or services covered under reverse charge basis in Form GSTR-2 which is required to be filed on or before 15th of the following month. Therefore it is required that detailed information which is to be filled in Form GSTR- 2 relating to receipt of such goods or services covered under reverse charge basis shall be sent in such format as required by AO/CPC, Patiala for which guidelines/format regarding collection of data as required for preparing **consolidated self-invoice** at the end of each month and filling of return in the Form GSTR-2 (upto the 15th of following month) will be issued separately by their office.

5. Time of Supply of Goods and Services in case of Reverse Charge Mechanism (RCM)

i) In case Supply of Goods (Section 12(3) of the CGST Act, 2017)

In case of supplies of goods in respect of which tax is paid or liable to be paid on reverse charge basis, the time of supply shall be the **earliest of the following** dates, namely:-

(a) date of the receipt of goods, or

(b) date of payment as entered in the books of account of the recipient or the date on which the payment is debited in his bank account, whichever is earlier, or

(c) date immediately following 30 days from the date of issue of invoice/any other document issued by the supplier.

ii) In case Supply of Services (Section 13(3) of the CGST Act, 2017)

In case of supplies in respect of which tax is paid or liable to be paid on reverse charge basis, the time of supply shall be the **earliest of the following** dates, namely:-

- (a) date of payment as entered in the books of account of the recipient or the date on which the payment is debited in his bank account, whichever is earlier, or
- (b) date immediately following 60 days from the date of issue of invoice/any other document issued by the supplier.

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



Accounts Officer/ Taxation
PSTCL, Patiala.

Endst No: - 2598-2629/Taxation/38

Dated: - 03.07.2017

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

1. All Dy.CEs/SEs under PSTCL.
2. All Dy. CAOs / Dy. CAS / Dy. FAs under PSTCL.
3. All Addl. SEs/Sr. Xens (other than DDOs).
4. All AOs under PSTCL (other than DDOs).
5. SE/IT, PSTCL, Patiala for placing the circular on website of PSTCL.



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.