# TRANSMISSION CORPORATION OF TELANGANA LIMITED

From
The Executive Director (Fin)
TSTRANSCO
Vidyuth Soudha
Hyderabad

To
The Chief Engineer/
The Senior Accounts Officer/

Lr No ED (Fin)/DyCCA(A,S&Exp)/SAO (S&A)/ JAO(E)/D No. 421 /2017 Dt. 24 .08.2017

Sir,

Sub:- TSTRANSCO- Implementation of GST w.e.f 01.07.2017 – Guidelines II – Communication of.

Ref:-1 . Lr No ED (Fin)/DyCCA(A,S&Exp)/SAO(S&A)/JAO(E)/DNo.381/2017 Dt.26.07.2017
2. TSTransco Approval Regd No.1438 Dt 11.08.2017
3. . Lr No ED (Fin)/DyCCA(A,S&Exp)/SAO(S&A)/AAO(S)/DNo.412/2017 Dt.19.08.2017

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Further to the letter 1st cited, it is to inform that the due dates for filing GST Returns are:

| Return | Description | Due Date |
|---|---|---|
| GSTR -1 | Details of Outward Supplies | 10th of following month |
| GSTR -2 | Details of Inward Supplies | 15th of following month |
| GSTR -3 | Monthly return and Payment of GST | 20th of following month |
| GSTR -9 | Annual Return | 31st of December of next FY |

The time for filing of returns for the month of July and August 2017 have been relaxed as:

| | July 2017 | August 2017 |
|---|---|---|
| GSTR-1 | 05.09.2017 | 20.09.2017 |
| GSTR-2 | 10.09.2017 | 25.09.2017 |
| GSTR-3 | 15.09.2017 | 30.09.2017 |
| GSTR-3B | 20.08.2017 | 20.09.2017 |

The GST return for the month of July 2017 has already been uploaded and hence it is requested to enter all transactions in SAP in the month of August 2017 and the

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transactions for the month of August 2017 may be completed in SAP positively by 05.09.2017, so as to enable timely reconciliation, payment of Tax and filing of returns.

The incidence of GST, HSN Codes and rate of GST are herewith annexed for processing of transactions.

The procedure to be followed for Estimates has been elucidated in the letter 1st referred.

For the ongoing works, the Purchase Orders are to be suitably amended as follows:

I . Turnkey Contracts

1. Schedule A – Supply Portion :
   a. If the components of the Awarded rates are indicated in the Schedule, the Excise Duty, CST/VAT amounts are to be excluded and GST @ 18% is to be added on Ex works Price+Freight and Insurance, to arrive at the revised Unit Rate.
   b. If the awarded price is inclusive of all taxes,
      i. The awarded rate has to be back calculated to remove the CST/VAT component
      ii. Freight and Insurance has to be deducted from the rate arrived at (i) above
      iii. The rate arrived at (ii) above has to be back calculated to remove the Excise Duty, if applicable
      iv. Freight and Insurance has to be added to the rate arrived at (iii) above
      v. GST @ 18% on the rate arrived at (iv) above has to be added to arrive at the revised Unit Price as:

| Sl. No. | Particulars | Amount |
|---|---|---|
| A. | Awarded Rate | XXXXX |
| B. | Less: VAT / CST included in (A) above | XXXXX |
| C. | Unit Rate W/o VAT /CST (A-B) | XXXXX |
| D. | Less: Freight & Insurance (if any) included in (A) above | XXXXX |
| E. | Unit Rate W/o VAT /CST and F&I (C-D) | XXXXX |
| F. | Less: Excise Duty included in (A) above | XXXXX |
| G. | Unit Rate W/o Excise Duty (E-F) | XXXXX |
| H. | Add: Freight & Insurance (if any) (D) | XXXXX |
| I. | Unit Rate W/o ED and with F&I (G+H) | XXXXX |
| J. | Add: GST on (I) | XXXXX |
| K. | Revised Unit Price (I+J) | **XXXXX** |

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2. Schedule B – Erection Portion:

   a. The Service Tax and Labour cess included in the Awarded rate may be deducted

   b. The material rate may be back calculated as indicated at 1(b) above and added to the Labour rate

   c. GST @ 18% on the total Material + Labour rate has to be added

   d. Other applicable levies such as Labour cess to be added to the rate, before loading GST, to arrive at the revised Unit Rate

II . Procurement Contracts

GST at applicable rates as per the HSN Codes is to be added to the Ex Works Price excluding Excise Duty, and CST/VAT, for arriving at the revised Unit Rate. HSN codes may be finalized in consultation with the SAP MM Team.

If Awarded rate is inclusive of all taxes, the same may be back calculated as indicated at 1 (b).

The Proposal for amendment of Purchase Orders are to be routed through proper channel, in the Proformas communicated in the letter 3rd referred and on approval of the same, the amended Orders may be entered in SAP System while issuing the amendment, so as to ensure smooth processing of bills.

III. Deviations and Supplemental items.

a. For the supplies made on or before 30.06.2017 and
   Work executed on or before 30.06.2017 but Invoice not raised till 30.07.2017, pending approval of Deviation/ Supplemental items,
   Invoices are to be rendered by the Vendors with legacy taxes and

b. For the supplies made on or after 01.07.2017 and
   Work executed on or after 01.07.2017, Invoices are to be issued with GST

The amendments including the deviation quantities/ Supplemental quantities may be issued with applicable taxes in accordance with the period of Supply/Work.

All the proposals for approval of Deviations and Supplemental items may be circulated **clearly indicating the period during which each of the quantities is executed** to enable application of appropriate taxes.

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The Unit Officers may ensure the following:

1. Vendors have to issue Tax Invoice in the prescribed Proforma for all the bills including bills for Schedule B works, indicating the GSTIN of TSTRANSCO.
2. All the Purchases / Procurements are made from Registered Dealers, to the extent possible.
3. Deduction is made from all the bills where Reverse Charge Mechanism is applicable.
4. Bill of Supply is issued for all exempted Sales in Proforma-I annexed.
5. Tax Invoice with Buyer and Transco GSTIN is issued for all GST Sales in Proforma II annexed .
6. The Tax Invoices of Vendors indicate SGST and CGST components for Intra State supplies and IGST for Inter State Supplies.

Encl: 1. Annexure-I & II
2. Proforma-I & II

Sd/-

**EXECUTIVE DIRECTOR (FINANCE)**

**// Forwarded By Order//**

**SAO (S&A)**

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**ANNEXURE-I**

| Particulars | HSN Code | GST Rate | |
|---|---|---|---|
| **REVENUE:** | | | |
| Transmission Charges | 9969 | --- | **Exempted from GST** vide Entry No 25 of Notification 12/2017 of Central Tax (Rate) Dt 28.06.2017<br>Bill of Supply to be issued in Proforma I annexed. |
| Sale of Tender Specifications | 999799 | 18% | For Tender specifications sold on or after 01.07.2017<br>Tax Invoice to be issued with buyer TIN in Proforma II annexed. |
| Sale of Scrap | | | GST at applicable Rates as per relevant HSN codes ( Refer Annex III of T.O.Lr No.381/17 Dt 26.07.2017)<br>Tax Invoice to be issued with buyer TIN in Proforma II annexed. |
| Penalty/Surcharge/Interest for delayed supplies by Vendors/ Belated payments by Customers | | 18% | Tax Invoice to be issued with buyer TIN in Proforma II annexed. |
| Sale of Used Transformer Oil | 2710 | 18% | Tax Invoice to be issued with buyer TIN in Proforma II annexed. |
| **EXPENSES:** | | | |
| Payment of travelling allowance, daily allowance and reimbursement of lodging charges incurred by employees in performance of official duties | | | **Not liable under GST.** However, in case such lodging expenses are incurred from a registered vendor, it is advisable to mention the GSTIN of the TSTRANSCO to be eligible to claim credit. |
| Payment of legal charges, consultancy fee, professional charges, audit fee and honorarium to faculty | 9982<br>9983 | 18% | Liable under GST at applicable rates. If such services are procured from unregistered vendors, TSTRANSCO shall be liable to remit GST under reverse charge mechanism. (Refer Annex I & II of T.O. Lr No.381/17 Dt 26.7.17) |
| Advocate fees | 9982 | 18% | Liable under GST and subject to RCM, whether registered or not |
| Reimbursement of toll gate charges to the hired vehicle contractors. | | | Toll gate charges are **exempted from GST** by way of entry no.23 to exemption notification No.12/2017 Central Tax (Rate) dated 28.06.2017. Hence, the vehicle contractors shall neither incur any GST on such toll gate charges nor is TSTRANSCO liable to remit GST on the same. |
| Freight, Insurance, Packing and Forwarding Charges along with supply of goods | | | It is a composite supply and attracts GST at the rate applicable for Principal Supply<br>If the Freight and Insurance are allowed in the PO on per unit basis, the amount of Freight and Insurance is to be shown in the Tax Invoice separately |

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|---|---|---|---|
| Advance payments | | | Liable to GST if Advance payment is made on or after 01.07.2017 |
| Bank Charges/Commission | | 18% | Bank charges are liable to GST. |
| Land procurement for construction of sub station and offices. | | | Cost of Purchase of Land for construction of Sub stations and offices **not liable under GST**. However stamp duties as applicable shall continue to be levied. |
| Expense for conducting departmental examination. | | | Expenses for conducting departmental examination are liable under GST |
| Payment of rent for office buildings | | | Rent of office building liable under GST. |
| Training and participation fee within state and other state | | | Training and participation are liable under GST. In case of training service place of supply is training services to:<br>a) Registered person, shall be location of such registered person.<br>b) Other than registered person, shall be location where the training actually performed.<br>Hence if place of supply is in Telangana the CGST+SGST apply.<br>If place of supply is in other than Telangana the IGST apply. |
| Payment of<br>a)Vehicle tax<br>b)Insurance. | 9971 | 18% | a) Vehicle Tax: Road Tax not subsumed into GST and status quo shall continue.<br>b) Insurance is taxable supply under GST regime |
| Advertisement Charges | 9983<br>9983 | 5%<br>12% | Advertisement services are taxable under GST regime. GST rate and description of advertisement as follows:<br>1.Selling of space for advertisement in print media<br>2.Other mode of advertisement (through Agencies |
| Seminars (honorarium) | 9983 | 18% | Honoraium liable under GST, under professional services |
| Imprest transaction and temporary advances | | | 1) Petty expenses are incurred for and on behalf of TSTRANSCO and therefore are essentially the procurement of the company only. |

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| | | | |
|---|---|---|---|
| | | | 2) If such expenses are incurred from registered vendors, it is advisable to ensure that the vendor invoice are containing the GSTIN of TSTRANSCO.<br>**3)** Contrarily, if such procurements are incurred from unregistered vendors it attracts RCM. |
| Applicability of RCM | | | Applicability of RCM under GST arises in two situation as follows:<br>1.Notified goods and services which are liable under GST mandatorily irrespective of whether received from a registered vendor or unregistered vendor, (Refer Para 11 and Annex II of T.O Lr No 381/17 Dt 26.07.2017)<br>2. Any taxable goods or services procured from unregistered person |
| Goods returned to Vendor | | | The vendor has to issue a Credit Note to Transco with applicable GST against TSTransco TIN and Transco has to accept it. |

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ANNEXURE-II

| Description | UoM | To be filled by GST Tax Consultant | |
|---|---|---|---|
| | | HSN Code | GST Rate |
| 33KV BAY MAINTENANCE | NO | 9987 | 18% |
| 132KV BAY MAINTENANCE | NO | 9987 | 18% |
| 220KV BAY MAINTENANCE | NO | 9987 | 18% |
| 400KV BAY MAINTENANCE | NO | 9987 | 18% |
| 33KV LINE MAINTENANCE | KM | 9987 | 18% |
| 132KV LINE MAINTENANCE | KM | 9987 | 18% |
| 220KV LINE MAINTENANCE | KM | 9987 | 18% |
| 400KV LINE MAINTENANCE | KM | 9987 | 18% |
| BAY MAINTENANCE SERVICE | NO | 9987 | 18% |
| LINE MAINTENANCE SERVICE | KM | 9987 | 18% |
| CAPITAL WORKS EXECUTED FOR CUSTOMERS BY COLLECTING COST OF EQUIPMENT AND SERVICES | NO | 9954 | 18% |
| CAPITAL WORKS EXECUTED FOR GOVERNMENT OF TELANGANA/RAILWAYS/GOVT. OF INDIA/OTHER STATE OR CENTRAL PSUs BY COLLECTING COST OF EQUIPMENT AND SERVICES | NO | 9954 | 18% |
| ONLY SUPERVISION FOR WORKS EXECUTED BY CUSTOMER AT HIS OWN COST | | 9983 | 18% |
| ONLY SUPERVISION FOR WORKS EXECUTED BY **GOVERNMENT OF TELANGANA/RAILWAYS/GOVT. OF INDIA/OTHER STATE OR CENTRAL PSUs** AT ITS OWN COST | | 9983 | 18% |
| TRAINING SERVICES | NO | 9983 | 18% |
| TESTING OF TRANSFORMER OIL SAMPLES | NO | 9983 | 18% |
| HIRING OF LECTURE HALL | DAY | 9972 | 18% |
| HOSTEL ACCOMMODATION CHARGES | DAY | 9963 | Tax rates as follows: If declared tariff of a unit of accommodation per unit per day is,<br>1. Below one thousand rupees - Exempted (Sl.No.14 of exemrion notification No.12/2017- Central Tax rate )<br>2.One thousand rupees and above but less than two thousand five hundred rupees - Taxable @12%<br>3.Two thousand five hundred rupees and above but less than seven thousand five hundred rupees - Taxable @18%<br>4.Seven thousand and five hundred rupees and above " - Taxable @28% |
| BOARDING CHARGES | DAY | 9963 | |
| HOTLINE MAINTENANCE WORKS (MAINTENANCE ACTIVITY UNDER LIVE CONDITIONS) | DAY | 9987 | 18% |

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