



# BIHAR STATE POWER TRANSMISSION COMPANY LIMITED, PATNA

(Registered Office: 4<sup>th</sup> Floor Vidyut Bhawan, Bailey Road, Patna- 800001)  
CIN U40102BR2012SGC018889

## CIRCULAR

Circular No. : *BSPTCL/F&A/GST/01*

Date : 31.08.2017

### **Sub: Clarification on transitional issues due to GST Implementation**

Goods and Service Taxes (GST) has been implemented w.e.f. 1<sup>st</sup> July, 2017 across the country and most of the Central and State indirect taxes are subsumed to create a common market with a seamless indirect tax regime with increased credit flow. This has resulted in affecting most of the transactions and its incidence of tax thereon, particularly relating to pricing of supply of goods as well as services. Whereas, the impact of GST on affected transactions under a contract is under deliberation (including consultations with vendors and contractors) and prices shall be equitably adjusted, for the purpose of smooth running of on-going contracts/orders and to facilitate the dispatches, raising of invoices and GST related compliances, following operating procedure, as discussed with most of the contractors, shall be adopted for supply of goods or services (on or after 01.07.2017) in the intervening period as an interim measure only for GSTR compliances.

The following pricing method has been agreed to and accordingly adopted for raising GSTN invoices:

Sl. No.	Type of pre-GST Transaction as identified in the contract	Post-GST price expressed as percentage of pre-GST price for items attracting GST 18%	Post-GST price expressed as percentage of pre-GST price for items attracting GST 28%
1	Direct Transaction	97.25%	89.65%
2	Bought-out Transaction	84.75%	78.13%
3	Installation including Civil works (if prices are inclusive of taxes)	84.75%	78.13%

The prices derived as above are excluding incidence of GST thereon. In addition, GST is applicable/reimbursable based on GST invoices raised by the vendors/contractors.

The above formulation is only for the purpose of facilitating dispatches, invoicing (as per GST Return) and GST related compliances. As such, the same will be restricted to meeting the requirement of on-going contracts and orders only. Concerned

Chief Engineer (Projects) shall prepare the relevant documents for equitable adjustment on the Contract Price of the respective Projects related to them after due verification of the impact of GST against the submission of break-up of Taxes and Duties submitted by the different TKCs in the light of the letter issued by the Company vide Letter No. 2613, dated 05/08/2017 of Chief Engineer (Project-II) & Letter No. 2615, dated 05/08/2017 of ESE (P-I), BSPTCL.

Consequent to the aforesaid, once adjustment to the pre-GST contract price is agreed for arriving at the prices net of GST, the contractor shall be required to issue credit/debit note against the invoices raised, if any, depending on the agreed prices, so arrived. The liability of interest on additional tax on incidence on account of issuance of such credit/debit notes, if any, shall be to the account of contractor and BSPTCL shall not bear any liability on such account.

All efforts shall be made by the contractors for early finalization of the price and raising invoices as above. Further, BSPTCL will make all endeavor to release the payment against invoices issued as above the contractors are, however, requested to made expeditious steps for the same to avoid delays as already deliberated in the meeting held on 02.08.2017.

For the purpose of raising invoices, GST registration number of BSPTCL has been attached herewith for communication to all the existing vendors/contractors.

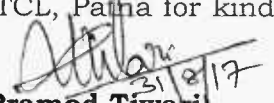
This clarification is issued with the approval of the competent authority.

  
31/8/17

**(Pramod Tiwari)**

General Manager (F&A)

Memo No. .... 284 ..... Patna, Dated ..... 31/08/17 .....  
Copy forwarded to:- OSD to Managing Director/ Director (Project), BSPTCL, Patna for kind information.

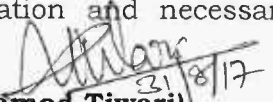
  
31/8/17

**(Pramod Tiwari)**

General Manager (F&A)

Memo No. .... 284 ..... Patna, Dated ..... 31/08/17 .....

Copy forwarded to:- GM-Cum-CE, Transmission Zone, Patna/Muzaffarpur/ ESEs, Transmission Circle, Patna/ Dehri-On-Sone/Biharsharif/Gaya/ Muzaffarpur/ Bhagalpur/Purnea/All Accounts Officers, Transmission Circles, Patna/Dehri-On-Sone/Biharsharif/Gaya/Muzaffarpur/ Bhagalpur/Purnea for information and necessary action.

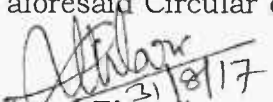
  
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**(Pramod Tiwari)**

General Manager (F&A)

Memo No. .... 284 ..... Patna, Dated ..... 31/08/17 .....

Copy forwarded to: DGM (IT)/ IT Manager, BSPTCL for uploading the aforesaid Circular on Company Website.

  
31/8/17

**(Pramod Tiwari)**

General Manager (F&A)