



JODHPUR VIDYUT VITRAN NIGAM LTD.

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CIRCULAR

As we all are well aware that the Goods and Services Tax Act, 2017(GST) is expected to be implemented w.e.f. 01.07.2017. The introduction of Goods and Service Tax (GST) is a very significant step in the field of indirect tax reforms in India. In-spite of this fact that Distribution of Power by Electricity Company is exempt from GST, It requires number of compliances / filing of returns and other needful procedural changes. Your attention is invited for understanding of GST in the context of JdVVNL and compliances to be made under GST regime under the following points:

A. (i) Taxes which shall be replaced by GST are as under:

- Service Tax
- Work Contract Tax
- Entry Tax
- Value Added Tax (VAT)
- Excise Duty
- Central Sales Tax (CST)
- Purchase Tax

(ii) Taxes which are not replace by GST and will continue to be applicable as was earlier

- Electricity Duty
- Labour Welfare Cess
- Taxes on Mineral Rights
- Stamp Duty
- State VAT on Petroleum Products

B. Terms to be used in this circular:

- a. **GSTIN:** Goods and Services Tax Identification Number
- b. **UIN:** Unique Identity Number
- c. **UQC:** Unit Quantity Code
- d. **HSN:** Harmonized System of Nomenclature
- e. **POS:** Place of Supply (Respective State)
- f. **B to B:** From one registered person to another registered person
- g. **B to C:** From registered person to unregistered person
- h. **Outward Supply:** Sale/Supply of Material and Supply of Services

- i. **Inward Supply:** Purchases of Material and Services Received
- j. **Registered Person:** Person having GSTIN no. under GST Act
- k. **Unregistered Person:** Person not having GSTIN no. under GST Act
- l. **IGST:** Integrated Goods & Service Tax. Applicable on Inter State (from/to outside Rajasthan) supply of goods and services. Say if rate is 18% than IGST will be 18%.
- m. **CGST & SGST:** Central Goods & Service Tax and State Goods & Service Tax. Applicable on Intra State (within Rajasthan) supply of goods and services. Say if rate is 18% than Rate of GST will be divided equally in CGST (9%) and SGST (9%).
- n. **Union territory GST (UTGST):** levied and collected by Union territories without legislature.
- o. **RCM:** Reverse Charge Mechanism
- p. **SAC:** Service Account Code. The Service Accounting Codes (SAC) have not been declared in the Model GST Law but they are going to be same which are being used in Service Tax.
- q. **Appointed Day:** Date of Applicability of GST Law (Presently it is 1.07.2017)

C. Definitions:

- a. **Goods:** As per section 2(52) "goods" means every kind of movable property other than money and securities but includes actionable claim, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply.
- b. **Services:** As per Section 2(92) "services" means anything other than goods, money and securities but includes activities relating to the use of money or its conversion by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomination for which a separate consideration is charged.

c. Time of Supply under RCM:

<u>Time of Supply of Goods</u>	<u>Time of Supply of Services</u>
<ul style="list-style-type: none"> • Date of receipt of goods • Date on which payment is made • date immediately following thirty days from the date of issue of invoice by the supplier (which ever is earlier) 	<ul style="list-style-type: none"> • (Date of receipt of goods • Date on which payment is made • date immediately following thirty days from the date of issue of invoice by the supplier (which ever is earlier)

d. **Section 2(30) Composite Supply:** means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply.

Example: Where goods are packed, and transported with insurance, the supply of goods, packing materials, transport and insurance is a composite supply and supply of goods is the principal supply.

e. **Section 2(74) Mixed Supply:** means two or more individual supplies of goods or services, or any combination thereof, made in conjunction with each other by a taxable person for a single price where such supply does not constitute a composite supply.

Example: A supply of a package consisting of canned foods, sweets, chocolates, cakes, dry fruits, aerated drink and fruit juices when supplied for a single price is a mixed supply. Each of these items can be supplied separately and is not dependent on any other. It shall not be a mixed supply if these items are supplied separately.

D. **Procedural Guidelines for Outward Supplies Made by JdVVNL:** Since there is a very wide scope of GST and covers many activities of JdVVNL under Supply of Goods and Services and such Outward Supply of goods/services are treated as revenue of JdVVNL. Following kind of activities / transactions are being carried out in Discom which are considered as supply of goods / services under the Act. Taxability on each such transaction under GST Act are as under:

Sl.No.	Nature of Revenue	Applicability of GST	Rate of GST	HSN/SAC
1.	Sale of Scrap	YES		
	i) Waste, Paring and Scrap of Plastic		18%	3915
	ii) Waste, paring and scrap of rubber		18%	4004
	iii) Wood Waste and Scrap		5%	4401
	iv) Ferrous Waste and Scrap; remelting scrap ingots of iron and steel		18%	7204
	v) Copper Waste & Scrap		18%	7404
	vi) Nickel waste and scrap		18%	7503