

**POWERGRID's CLARIFICATION NO.-06 ON TRANSITIONAL ISSUES DUE TO GST IMPLEMENTATION**

| Sl. No. | Contractor's query on issues due to GST Implementation    | POWERGRID's Clarification  |         |   |  |    |             |      |
|---------|---|--|---------|---|--|----|-------------|------|
| 1.0     | Freight & Insurance (F&I) Charges                         | <p>a. This has reference to POWERGRID's Clarification No.-03 dated 19.07.2017, Clarification No.-04 dated 28.07.2017 and Clarification No.-05 dated 10.08.2017 vide which operating procedure for facilitating dispatches under GST in the intervening period (i.e. period between 01.07.2017 (including the date) and date of finalization of agreement on adjustment to the pre-GST contract and issuance of amendment to the contract as referred to in the aforesaid clarifications) was issued.</p> <p>b. Against the above, the matter of operating procedure during the intervening period, for Inland Freight &amp; Insurance Charges has been deliberated and finalized as under.</p> <p>c. It is clarified that during the intervening period contractor may raise the Bill of supply or any other document prescribed under GST Law for F&amp;I Charges on basis of following prices:</p> <table border="1" data-bbox="767 1025 1549 1155"> <thead> <tr> <th data-bbox="774 1025 841 1115">Sl. No.</th> <th data-bbox="847 1025 1166 1115">Type of pre-GST Transaction as identified in the contract</th> <th data-bbox="1173 1025 1543 1115">Post-GST price expressed as percentage of pre-GST contract price</th> </tr> </thead> <tbody> <tr> <td data-bbox="774 1117 841 1155">1.</td> <td data-bbox="847 1117 1166 1155">F&amp;I Charges</td> <td data-bbox="1173 1117 1543 1155">100%</td> </tr> </tbody> </table> <p><i>Note:</i></p> <p>1. No GST shall be payable/ reimbursed by POWERGRID on the aforesaid transactions. However, if a contractor considers that GST is applicable on aforesaid transaction, he is advised to raise the invoice with post GST F&amp;I charges in such a manner that the total liability to POWERGRID on account of F&amp;I charges shall remain the same as that of pre-GST charges i.e. post GST F&amp;I charges plus GST applicable thereon, remains equal to pre-GST F&amp;I charges as indicated in the contract.</p> <p>d. Pending Agreement on adjustment to pre-GST contract and issuance of Amendment to the contract, release of F&amp;I charges shall be done during the intervening period as per above, wherever required. It may also be noted that it is POWERGRID's understanding that as per extant provisions, on the charges for supply of services related to Inland Freight &amp; Insurance by the Contractor to POWERGRID, GST is not payable.</p> <p>e. For the purpose of raising the invoice, state-wise GST Registration no. of POWERGRID has been provided on POWERGRID's website. The contractors are advised to raise the invoice for supplies</p> | Sl. No. | Type of pre-GST Transaction as identified in the contract | Post-GST price expressed as percentage of pre-GST contract price | 1. | F&I Charges | 100% |
| Sl. No. | Type of pre-GST Transaction as identified in the contract | Post-GST price expressed as percentage of pre-GST contract price   |         |   |  |    |             |      |
| 1.      | F&I Charges   | 100%   |         |   |  |    |             |      |

*Y  
25/08/17*

Ref: CC/CS/Transitional Issues/Clarification/06 dated 25/08/2017

| Sl. No. | Contractor's query on issues due to GST Implementation | POWERGRID's Clarification  |
|---------|--|--|
|         |  | against POWERGRID's GST Registrations no. of respective state where the goods are to be supplied/work is to be executed. |

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