

**POWERGRID's CLARIFICATION ON TRANSITIONAL ISSUES RAISED BY VENDORS IN MEETINGS OF WORKING GROUP OF CONTRACTORS HELD ON VARIOUS OCCASIONS DURING THE MONTH OF JUNE' 17**

Sl. No.	Transitional Issues due to GST Implementation	POWERGRID's Clarification
1.0	<p>Processing of all Unbilled :</p> <ul style="list-style-type: none"> <li>- CIP issued pending for MICC</li> <li>- Both CIP and MICC pending</li> <li>- Amendment not issued</li> <li>- Rates not available in the Contract</li> <li>- Amendment pending due to contract price changes more than 20%.</li> <li>- PV Billing pending due non receipt of price indices.</li> </ul>	<ul style="list-style-type: none"> <li>- The contractors are required to raise all the Invoices on or before 30<sup>th</sup> June 2017, for goods dispatched and services rendered till then. The same will be received by POWERGRID upto 07<sup>th</sup> July 2017. However the payment in all the above cases will be regulated as per provisions of the contract.</li> <li>- The above shall also apply for goods dispatched and services rendered, as may have been authorized by POWERGRID but for which amendment to contract is yet to be issued. However the payment against the same shall be regulated as per provisions of the contract read in conjunction with the amendment.</li> <li>- The above shall also apply to PV bills which, in absence of price indices, may be based on extrapolated indices. However, the payment shall be regulated based on actual indices as and when published.</li> </ul>
2.0	Goods dispatch after payment of excise duty but not reach customer and billing pending to customer	<p>Please refer para 1.0 above.</p> <p>For Goods dispatched prior to 30<sup>th</sup> June 2017 (including the date) and are in transit on or after appointed day, POWERGRID will request the concerned Authorities for issuance of 'C' form. However, in case it is not feasible to issue 'C' form, the issue shall be addressed suitably.</p>
3.0	Bill on hold at Site, not accepted by customer - Material shortage in the original lot	Please refer para 1.0 above.
4.0	Material under Transit on 30 <sup>th</sup> June 2017 (both Domestic & Imported Items)	Please refer above paras.
5.0	Lot Item Supply : Complete lot has not been supplied wherein entire lot takes 3-4 months to complete, partial supply has been done.	Please refer above paras.
6.0	Ongoing contract billing - Separate contract for Supply and erection contract - new levy under composite works Contract Supply	The matter is under deliberations by POWERGRID and Working Group of Contractors.
7.0	Freight and Insurance is presently part of Service Contract, will be attracting GST applicable to	Refer para 6.0 above.

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	corresponding goods.	
8.0	In Supply/ Erection Contract or new Contract under signing wherein advance has not been paid will attract GST under the new law.	The treatment of Taxes and Duties shall be as per the prevailing law and as per the provisions of the respective Contracts.
9.0	'Negative Price Variation - Recovery of GST	Refer para 8.0 above.
10.0	Project funded by World Bank / ADB are exempted from Excise duty / Customs duty on the strength of PAC issued by PGCIL read with contract. Now there is no clarity in the GST law	Refer para 6.0 above.
11.0	Existing state exemption	Refer above paras.
12.0	Issue of pending C Form - Time limit for issue of "C" form as per law is 90 days from the end of the quarter	Refer above paras.
13.0	Issue of pending WCT TDS certificate	To be issued by POWERGRID.
14.0	Pending amendment in contract cash flow impact	Material may be despatched on or before 30 <sup>th</sup> June 2017. Further, refer para 2.0 above.
15.0	Actual GST Payment for the running contracts	Refer above paras.
16.0	Project under J&K	Refer above paras.

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