



Accounts Branch

From

To

K. Sundaravadhanam, B.Sc., ACA., ACS;
Chief Financial Controller/General,
144, Anna Salai, Chennai 600 002.

The Superintending Engineer,
The Financial Controller.
Tangedco Circles

Lr.No.DFC/BS/D1/D11/GST/F. GST A/c. Code/2017, dt.09.08.2017.

Sir,

Sub: TANGEDCO – GST – Accounting codes & Instructions Issued - Reg.

Ref: Lr.No.CFC/GL/FC/ACCTS/DFC/AO/Tax/F.GST-7/D.NO.65/2017/
dt.7.7.2017.

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TANGEDCO has registered under GST which was implemented with effect from 01.07.2017. A detailed outline of the GST Provisions was communicated vide reference (1) cited.

Consequent to the Tangedco's registration under GST, there are various periodical compliances required such as raising of **tax invoice** for taxable goods and services, uploading of such supply invoices, verification of inward supply invoices, prompt remittance of GST, etc.

In view of the various transactions, certain New A/c. Codes are required to be introduced in different scenarios for accounting the Income / expenditure in the books of accounts of TANGEDCO.

With respect to the GST rates, it is to be noted that the IGST rate (ie) Integrated GST rate will be applicable for the transactions between Tamil Nadu and other states. In case of transactions within the state, Central GST (50% of appropriate rate) and State GST (50% of the appropriate rate) will be applicable.

- I. **When Tangedco supply of taxable goods or services that are covered under GST (i.e) fly ash and scrap (as goods category), Testing fees, Rent from immovable property, Training fees, etc (as services category):**

a. At the time of raising Tax invoices for sale of fly ash, scraps, etc.

28.100 Sundry Debtors for other Miscellaneous income A/c	Dr	xxxx	
79.573 Loss on sale of stores	Dr	xxxx	
To			
Appropriate Revenue A/c			xxxx
(A/c code: 62.351, 62.952, 62.958, 62.901, for various income please refer our circular dated 7.7.2017)			
62.330 Profit on sale of stores			xxxx
22.760 Obsolete materials			xxxx
46.941 Recoveries of CGST	} Within TamilNadu		xxxx
46.942 Recoveries of SGST			xxxx
46.943 Recoveries of IGST		Interstate	xxxx

(Being the revenue from various sources along with appropriate GST recoveries brought into accounts).

b. At time of advance receipt also, a separate Advance Receipt shall be raised and accounted as below:

24.100/24.300 Cash / bank	Dr.	xxxx	
To			
46.922 Adv. recd for sale of scrap, flyash, etc			xxxx
46.941 Recoveries of CGST	} Within TamilNadu		xxxx
46.942 Recoveries of SGST			xxxx
46.943 Recoveries of IGST		Interstate	xxxx

(Being the advance received towards revenue from various sources along with appropriate GST recoveries brought into accounts).

It may be noted that GST amount on entire advance amount shall be collected and accounted.

c. Reversal of advance payment shall be made at the time of regularization of the transaction:

	Dr		
46.922 Adv. recd for sale of scrap, flyash, etc		xxxx	
46.941 Recoveries of CGST	} Within TamilNadu	xxxx	
46.942 Recoveries of SGST		xxxx	
46.943 Recoveries of IGST		Interstate	xxxx

To
28.100 Sundry Debtors for other
Miscellaneous income A/c
(Being adjustment of advance receipt for sale of scrap now made, along with the related GST recoveries)

II Reverse Charge Mechanism (RCM) under GST:

Under GST, Tangedco is liable to remit GST to Government of India directly, in respect of certain expenses specifically covered under Reverse Charge Mechanism. With respect to Tangedco, payment to goods transport agency and payment to advocates are covered under Reverse Charge Mechanism. Similarly, any fees paid to Government of Tamil Nadu like Guarantee fees, License Fees, if any will be covered under Reverse Charge Mechanism.

Further, when Tangedco purchase goods **from any unregistered suppliers or availed services from any unregistered service providers**, GST has to be additionally incurred by Tangedco and such GST has to be directly remitted to Government by Tangedco.

1. With respect to the expenses under Reverse Charge Mechanism, the following journal is proposed :

At the time of admitting/passing the expenses in APS; in addition to the bill amount applicable rate of **GST has to be loaded**, passed and journalised:

76.210, 76.220 & 76.121 + GST	Dr	xxx
14.000 Group for Capital works + GST	Dr	xxx
22.000 Group for supply of materials + GST	Dr	xxx

To

46.000/42.000/43.000 Liability for expenses	xxxx
46.944 Liabilities of CGST under RCM	xxxx
46.945 Liabilities of SGST under RCM	xxxx
46.946 Liabilities of IGST under RCM	xxxx

(Being the expenses incurred is now brought into accounts, along with applicable GST additionally added to the respective heads)

(This process has to be made on all Imprest, Temporary Advance, Chit, K2 agreement, any Pos, Hand receipt, claims, etc as being passed in APS section).

At the end of each month, GST Abstract shall be prepared for expenses / payments covered under Reverse Charge Mechanism (RCM), so as to assess GST liability and tally with overall GST liability.

III. Monthly remittance of GST:

There will be liability of recovered GST (A/c code : 46.941, 46.942 & 46.943) and GST payable under RCM (A/c code : 46.944, 46.945 & 46.946) which shall be remitted to Government on 20th of next month. **Since the methodology of remittance of GST has not yet been finalised at HQ, GST remittance need not be made till guidelines issued.**

At the time of such remittance. (after getting HQ instructions)

46.941	Recoveries of CGST	xxxx
46.942	Recoveries of SGST	xxxx
46.943	Recoveries of IGST	xxxx
46.944	Liabilities of CGST under RCM	xxxx
46.945	Liabilities of SGST under RCM	xxxx
46.946	Liabilities of IGST under RCM	xxxx

To

Bank

xxxx

(Being the monthly Liability of GST (as per GST Electronic liability ledger) remitted to Government by the mode of cheque / online payment brought into accounts)

In order to avail Input Tax Credit (ITC) meticulous analysis has to be carried out, so as to assess the net benefit to TANGEDCO. After such review, related accounting guidelines will be issued exclusively for handling Input Tax Credit (ITC) issues.

K. Sunil Kumar Shanmugam

CHIEF FINANCIAL CONTROLLER/GL

Copy to all the Chief Engineers

Copy to all Deputy Financial Controllers.

Copy to AEE/Computer Centre for incorporating the same in GLMAS file as below.

A/c code	Description	Sch. No	Sch. Item
46.941	Recoveries of CGST	28	C
46.942	Recoveries of SGST	28	C
46.943	Recoveries of IGST	28	C
46.944	Liabilities of CGST under RCM	28	C
46.945	Liabilities of CGST under RCM	28	C
46.946	Liabilities of CGST under RCM	28	C