

# पावर ट्रांसमिशन कारपोरेशन ऑफ उत्तराखण्ड लि०

(उत्तराखण्ड सरकार का उपक्रम)

कार्यालय महाप्रबन्धक(वित्त), कारपोरेट लेखास्कन्ध,

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No. /634 /GM(F)/PTCUL/

Date: 17/10/2023

## MOST IMPORTANT

All Drawing & Disbursing Officers

Power Transmission Corporation of Uttarakhand Limited

**Subject: Regarding Advisory for Compliance of GST Provisions with respect to Deposit Work.**

Please find attached the instructions forwarded by our Tax Consultant regarding GST Provisions with respect to Deposit Works.(enclosed as Annexure-A)

Further for clarification regarding accounting entries and in order to avoid any errors an illustration is being provided for your reference as Annexure-B.

Please follow these instructions for the purpose of accounting for deposit works and in case any assistance/opinion, if required, on any doubt/problem/issue/query pertaining to GST kindly mail the query at [aao\\_fund\\_gzone@ptcul.org](mailto:aao_fund_gzone@ptcul.org).

*Manoj*

17/10/23

(Manoj Kumar)

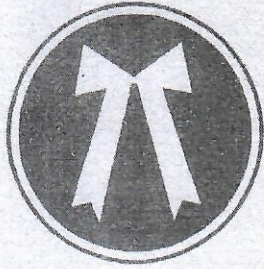
DGM(F&A)

Encl: As above

CC:

1. DGM(Projects & Capital Payment Unit), PTCUL- for information and necessary action please
2. All SAO/AO/AAO, PTCUL-for information and necessary action please
3. All Accountants, PTCUL-to ensure the compliance accordingly
4. Executive Engineer (IT), PTCUL for uploading on PTCUL's website





# Bir Singh Thakur & Associates

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## Sub: Advisory regarding Compliance of GST Provisions with respect to Deposit Work

### **1. ISSUANCE OF RECEIPT VOUCHER**

Whenever the advance is received in PTCUL from the customers against the estimate submitted by concerned unit, a Receipt Voucher containing the particulars as prescribed under GST Law is required to be issued for the said advance. As the said advance is received against Deposit Works which is treated as Service under GST Law, GST is required to be deposited on the same and the details of such advance is also required to be submitted with the monthly details of GST.

As per Rule 50 of CGST Rules, 2017, a receipt voucher shall contain the following particulars, namely:

- a) name, address and Goods and Services Tax Identification Number of the supplier;
- b) a consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters-hyphen or dash and slash symbolised as —/I and —/II respectively, and any combination thereof, unique for a financial year;
- c) date of its issue;
- d) name, address and Goods and Services Tax Identification Number or Unique Identity Number, if registered, of the recipient;
- e) description of goods or services;
- f) amount of advance taken;
- g) rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);
- h) amount of tax charged in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax or cess);
- i) place of supply along with the name of State and its code, in case of a supply in the course of inter-State trade or commerce;
- j) whether the tax is payable on reverse charge basis; and
- k) signature or digital signature of the supplier or his authorised representative:

Provided that where at the time of receipt of advance,-

- (i) the rate of tax is not determinable, the tax shall be paid at the rate of eighteen per cent.;
- (ii) the nature of supply is not determinable, the same shall be treated as interState supply.



## **2. ISSUANCE OF TAX INVOICE AFTER COMPLETION OF DEPOSIT WORK**

After the completion of Deposit Work, a Tax Invoice is required to be issued by unit(s)/division(s). The detail of such Tax invoice are also required to be submitted with the monthly details of GST and if the recipient for whom the deposit work is executed is a registered person, the E-Invoice for the same is required to be generated.

The remark containing the reference of the Receipt Voucher Number and date, issued at the time of receipt of advance should be mentioned in the Tax Invoice/E-Invoice.

The issuance of Tax Invoice/E-Invoice after completion of Work is important so that the advance that remains un-adjusted in the GST Annual Return can be adjusted. Non-issuance of Tax-Invoice/E-Invoice leads to accumulation of advance in the GST Annual returns.

## **3. ACCOUNTS AND RECORD MAINTENANCE**

Rule 56(14) of CGST Rules, 2017 provides that "Every Registered person executing works contract shall keep separate accounts for work contract showing :

- a) the names and addresses of the persons on whose behalf the works contract is executed;
- b) description, value and quantity (wherever applicable) of goods or services received for the execution of works contract;
- c) description, value and quantity (wherever applicable) of goods or services utilized in the execution of works contract;
- d) the details of payment received in respect of each works contract; and
- e) the names and addresses of suppliers from whom he received goods or services.

It is to be ensured that at the time of receiving the advance for deposit work only advance receipt is to be issued and no Tax Invoice shall be issued at the time of receiving the Advance. And the same should be reported as mentioned above in the same month when the advance is received. And after the work is completed issuance of Tax Invoice is to be ensured so that the consumers can claim the ITC.

It is therefore requested to kindly ensure compliance of the above guidelines on priority basis.

Thanking You

For Bir Singh Thakur & Associates  
Advocate Vikas Thakur  
(Proprietor)





**ACCOUNTING ENTRIES FOR DEPOSIT WORKS:**

An illustration is being present here to help you understand the Accounting Entries :

**A. Initial Estimate submitted to the Party for Deposit Work and the Party has made payment on the basis of this submitted estimate**

PARTICULARS	AMOUNT
Supply (inclusive of GST)	50.00
Erection Cost (inclusive of GST)	50.00
<b>Total</b>	<b>100.00</b>
Supervision Charges (i.e Contingency & Centage Charges @ 18.45%)	18.45
<b>Total</b>	<b>118.45</b>
GST @ 18%	21.32
<b>Grand Total</b>	<b>139.77</b>

**B. Accounting Entries for Accounting of Amount Received on Deposit Works**

**I. At the Time of Receipt of Advance:**

AG Code	Account Name	Dr/Cr	Amount
<b><u>1.Receipt of Advance from Party for Deposit Work: (Receipt Voucher of Rs. 139.77 to be issued)</u></b>			
24	Bank A/c	Dr.	139.77
47....	To Liability Against Deposit Work(Party)	Cr.	118.45
47.602	To Liability Against Deposit Work (GST)	Cr.	21.32
<i>(Being Advance Received for Deposit Work "Name of the Work" from " Name of the Party")</i>			
<b><u>2.Transfer of GST Advance to GST Liability by Unit/Division, arising due to issuance of Receipt Voucher on Receipt of Deposit Amount:</u></b>			
47.602	Liability Against Deposit Work (GST)	Dr.	21.32
46.93/A/B	To GST Payable	Cr.	21.32
<i>( Being Transfer of GST on Advance Received for Deposit Work "Name of the Work" from "Name of the Party" to GST Liability )</i>			
<b><u>3.Creation of Asset for GST Depsoited on Advance:</u></b>			
28.921	GST Advance	Dr.	21.32
47....	To Liability Against Deposit Work(Party)	Cr.	21.32
<i>(Being GST Advance recognised for Deposit Work " Name of the Work" for Amount Received from "Name of the Party")</i>			

Note: The above entries has be passed at the time of receipt of Advance for Depsoit Work and GST is required to be deposited on the same and the details of such advance is also required to be submitted with the monthly details of GST. **No TAX Invoice** is to be issued till the final completion of the work. And in case additional advance is received the same entries needs to be done for the additional amount received).

*mohit*

*Radhika*



**II. On completion of Work: (When actual executed cost is equals to the advance received)**

AG Code	Account Name	Dr/Cr	Amount
<b>1. Trasfer of Liability for Advance received after creation of Fixed Asset:</b>			
47....	Liability Against Deposit Work(Party)	Dr.	139.77*
55.102	To Contribution/Grants	Cr.	100.00
62.641	To Supervision Income	Cr.	18.45
28.921	To GST Advance	Cr.	21.32
<i>(Being Advance adjusted on completion of Depsoit Work " Name of the Work")</i>			
* This amount is only illustrative. The total executed amount has to be shown			
<b>2.Capitalisation of Asset: (Transfer from CWIP to Fixed Asset)</b>			
10..	Asset A/c	Dr.	100.00
14....	To Capital Work in Progress A/c	Cr.	100.00
<i>(Being Asset Capitalised)</i>			

**III. In case executed value of work is less than the advance received from the Party.**

Lets say, the executed value is Rs. 125.00 {i.e Rs. 89.43 (Base Value)+ Rs. 16.50 (Supervision Charges ) + 19.06 (GST)}. The additional entries for refund has to booked as follows:

AG Code	Account Name	Dr/Cr	Amount
<b>1.For Refund</b>			
47....	Liability against Deposit Work(Party)	Dr.	14.77*
24...	To Bank A/c	Cr.	14.77*
<i>(Being Advance Amount Refunded to "Name of the Party")</i>			
*Advance Received-Executed Cost i.e Rs. 139.77-Rs.125=Rs., 14.77			
<b>2. Reversal of GST Advance</b>			
46.93/A/B	GST Payable	Dr.	2.26*
28.921	GST Advance	Cr.	2.26*
<i>(Being GST Advance adjusted due to amount refunded to the party)</i>			
*GST Advance booked-GST on actual executed cost i.e Rs. 21.32-Rs.19.06=Rs.2.26			
<b>3. Trasfer of Liability for Advance received after creation of Fixed Asset:</b>			
47....	Liability Against Deposit Work(Party)	Dr.	125.00*
55.102	To Contribution/Grants	Cr.	89.43
62.641	To Supervision Income	Cr.	16.50
28.921	To GST Advance	Cr.	19.06
<i>(Being Advance adjusted on completion of Depsoit Work " Name of the Work")</i>			
* This amount is only illustrative. The total executed amount has to be shown.			
<b>4.Capitalisation of Asset: (Transfer from CWIP to Fixed Asset)</b>			
10..	Asset A/c	Dr.	89.43
14....	To Capital Work in Progress A/c	Cr.	89.43
<i>(Being Asset Capitalised)</i>			

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