



MAHARASHTRA STATE ELECTRICITY DISTRIBUTION CO. LTD.

(A Govt. of Maharashtra Undertaking)
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NO. MSE:DCL/AD/Tax Cell/ 1066

Date: 23 JUN 2017

To,

All Superintending Engineers,
O&M and Civil Circles, MSEDCCL.

Sub : Implementation of Goods & Services Tax (GST) in MSEDCCL- General Awareness .

As we are all aware, the GST will be implemented w.e.f. 1st of July, 2017. Taxes which will be subsumed in GST are:

- i. **Taxes currently levied and collected by the Centre:**
 - a. Central Excise duty
 - b. Duties of Excise (Medicinal and Toilet Preparations)
 - c. Additional Duties of Excise (Goods of Special Importance)
 - d. Additional Duties of Excise (Textiles and Textile Products)
 - e. Additional Duties of Customs (commonly known as CVD)
 - f. Special Additional Duty of Customs (SAD)
 - g. Service Tax
 - h. Central Surcharges and Cesses so far as they relate to supply of goods and services
- ii. **State taxes that would be subsumed under the GST are:**
 - a. State VAT
 - b. Central Sales Tax
 - c. Luxury Tax
 - d. Entry Tax (all forms)
 - e. Entertainment and Amusement Tax (except when levied by the local bodies)
 - f. Taxes on advertisements g. Purchase Tax
 - h. Taxes on lotteries, betting and gambling
 - i. State Surcharges and Cesses so far as they relate to supply of goods and services.

Some basic information on the GST, which will help us manage these changes that the GST will bring upon us, is provided below

Following are some requirements which are to be complied due to GST Law:

Invoice Rules : The Government has issued Invoice Rules which prescribe various information to be mentioned on an Invoice, Debit Note & Credit Note under GST. The Invoices submitted by all vendors need to be as per GST requirements. It is to be noted that an Invoice which does not contain required details as per GST shall not be accepted.(Invoice Rules Copy Attached)

Vendor Master: Vendor master of all existing vendors will be replaced with new registration no called GSTIN. The GSTIN should be updated in Vendor master of ERP. It will be state-wise PAN-based 15-digit number.

- The first two digits of this number will represent the state code as per Indian Census 2011
- The next ten digits will be the PAN number of the taxpayer
- The thirteenth digit will be assigned based on the number of registration within a state
- The fourteenth digit will be Z by default
- The last digit will be for check code

Eg. MSEDCL GSTIN Number is 27AAECM2933K1ZB.

Tax Codes: There will be a new set of tax codes defined for GST. The tax codes for GST are Central Goods and Service Tax (CGST), State Goods and Service Tax (SGST), Integrated Goods and Service Tax (IGST). GST slabs rate are 5%, 12%, 18% & 28%. Example of existing and GST taxes application is given in attached annexure 1.

GST RATE SCHEDULE FOR GOODS & SERVICES as approved by GST Council				
CGST	2.50%	6%	9%	14%
SGST	2.50%	6%	9%	14%
IGST	5%	12%	18%	28%

Material Master Updation :

HSN Code – all Material items have to be associated with the Harmonized System of Nomenclature (HSN) for all the taxes. Currently, HSN codes are known as Excise Tariff Codes, and the reporting under GST is based on HSN codes.

SAC Code – Services accounting codes are associated with the supply of services, and they are similar to service categories in the current service tax regime.

Purchases from Unregistered Dealers: For Purchases and Services from unregistered dealers GST will be applicable under Reverse Charge Mechanism (RCM) & MSEDCL have to pay the tax liability which costs to the company. Hence, the purchases and services shall be restricted from registered dealers.

