

ಚಾಮುಂಡೇಶ್ವರಿ ವಿದ್ಯುತ್ ಸರಬರಾಜು

ನಿಗಮ ನಿಯಮಿತ

(ಕರ್ನಾಟಕ ಸರ್ಕಾರದ ಸ್ವಾಮ್ಯಕ್ಕೆ ಒಳಪಟ್ಟಿದೆ)

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CHAMUNDESHWARI ELECTRICITY
SUPPLY CORPORATION LIMITED

(Government of Karnataka undertaking)

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Company Identity Number[CIN]:- U40109KA2004SGCO35177

No: CFO/GM/DGM(Tax)/2020-21/Cys-805

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Circular

Sub:- Applicability of Income Tax TCS with effective from 01.10.2020-reg.

In pursuant of Section 206C(1H) of Income Tax Act following provisions is applicable with effective from 01.10.2020 on Tax Collection at Source (TCS).

I) Who and when to collect TCS:-

- A seller of Goods is liable to collect TCS from Buyer on Sale of any goods. For example: - "Electricity" is treated as goods/ sale of scrap etc.
- TCS to be collected, if the Value/Aggregate Value of Goods is more than ₹ 50 Lakhs in a financial year.
- Seller receives any amount as consideration for sale of any goods of the value exceeds Rs 50lakh from any single buyer has to collect the TCS from buyer. TCS to be collected on [Total Sale Vale exceeding- ₹ 50 Lakhs];
- TCS has to be collected at the time of receipt of such amount. i.e. on **RECEIPT BASIS**.
- Sale made to buyer upto 30th September, 2020 shall not be liable to collect the TCS.

II) Rate of TCS:-

- If PAN of the buyer is available the rate of TCS is 0.075% for FY 2020-21.
- If PAN of the buyer is not available the rate of TCS is 1% for FY 2020-21.

III) For this purpose calculation illustration for FY 2020-21 are given below.

Illustration 1:

If Sale made to a buyer is less than ₹ 50 lakhs up to 30.09.2020:-

No need collect TCS but if sale made to buyer exceeds Rs.50 lakhs after 30.09.2020, then TCS has to be collected for the amount received in excess of Rs.50 lakhs.

Illustration 2:

Sale made to a buyer is more than ₹ 50 lakhs up to 30.09.2020:-

1. Sales up to 30.09.2020	₹ 65 Lakhs
2. Amount received up to 30.09.2020	₹ 30 Lakhs
3. Sale made on 01.10.2020 or afterwards	₹ 20 Lakhs
4. Amount received on 01.10.2020	₹ 18 Lakhs

As TCS shall be applicable beyond receipts of ₹ 50 Lakhs. Therefore, on the initial receipt of ₹ 20 Lakhs after 01.10.2020, mentioned in point no.4 TCS [₹30 lakhs + ₹18 lakhs is less than ₹ 50 lakhs] all not be applicable. Consequently, TCS shall be applicable as and when remaining ₹ 37 Lakhs [i.e., ₹ 65 + ₹ 20 Lakhs - ₹ 48 Lakhs] shall be received.

Illustration 3: Amount received from a buyer is more than ₹ 50 lakhs up to 30.09.2020

1. Sales up to 30.09.2020	₹ 65 Lakhs
2. Amount received up to 30.09.2020	₹ 55 Lakhs
3. Amount received on 01.10.2020 or after	₹ 10 Lakhs

As TCS u/s 206C(1H) shall be effective from 01.10.2020, therefore TCS cannot be charged on amount received prior to 01.10.2020. Therefore, in this case, TCS shall be charged on the receipt of amount on or after 01.10.2020 i.e. on ₹ 10 Lakhs [₹ 65 - ₹ 55 Lakhs].

IV) Exemption or Non- applicability of this section:-

As per explanation to Sec 206C(1H), only following entities are exempted from provisions of this TCS.

- A) Where the Turnover of the seller is less than 10 crore in the preceding financial year (In this regard if Turnover of the seller is less than 10 crore in the preceding financial year then an Declaration shall be obtain from the seller)
- B) Where the goods are exported out of India.
- C) Where any TDS provision is applicable to such goods. This sub section shall not apply where the buyer liable to Income Tax deduct at source under any other provision of Income Tax Act on the goods purchased by buyer from the seller and deduction of such amount. **For example:** If any Income Tax TDS deductions are made on Total Turn Key bills under 194C, etc, then this TCS provision shall not be applicable.
- D) The Central Government, a State Government, an embassy, a High Commission, legation commission, consulate and the trade representation of a foreign State.
- E) A local authority as defined in the Explanation to clause (20) of section 10.

F) A person importing goods into India or any other person as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein.

G) Only state government is exempted and any state government undertaking/ PSU is not exempted.

V) Whether GST to be charged by the seller on the amount of sale including TCS:-

For the purpose of determination of value of supply under GST, TCS under the provisions of Income Tax Act, 1961 would not be includible as it is an interim levy not having the character of tax.

VI) Procedure to be followed at Accounting Units at the time of Sale of Electricity/ Scrap, Etc :-

- A) All Accounting units including Zonal offices/ Circle offices/ Division/ Sub-division offices required to identify the consumers/ Purchaser/ potential consumer who may crossed threshold limit. (i.e., Bill/receipt amount exceeding ₹ 50 lakhs).
- B) The Accounting units are required to collect and maintain the details of consumers or suppliers details separately like- PAN number, Name, Address, Telephone/Cell number, e-mail address, etc, in the consumer profile/ billing software.
- C) Status of installation, nature of installation, Government installation or not etc, is needed to be updated in the billing software.
- D) Required to make update in the consumer/ supplier profile from time to time if any changes like transfer of installation, Name change, change of ownership, etc.
- E) In case of Sale of Electricity (which includes FC, EC, Tax, Interest, etc) to consumers / Sale of scrap, etc, including under buyback scheme, is more than the above threshold limit, that is value/ aggregate value is more than Rs 50 lakhs in a financial year, from a particular person, then the concerned Accounting units are required to collect the TCS from such consumer separately in the regular bills.
- F) **That amount shall be booked in the Account Head 46.9057.**
- G) And the concerned Accounting units are required to make E-payment and E-filing, within prescribed time limit, and they have to maintain such details filed under their TAN number and required to issue FORM No.27D to the respective purchaser as per the provisions of Income Tax Act.
- H) After issuing the FORM No.27D, for tallying purpose such details are required to reconcile with the Trail Balance/ Registered/ Accounts of concerned Accounting units.
- I) The details of such TCS shall required to maintain in the prescribed register format enclosed in this letter as **Annexure-1A and Annexure-1B** separately.

J) The procedure regarding incorporation of TCS provisions in billing and collection need to be obtained from General Manager (Projects).

VII) Procedure to be followed at Accounting Units at the time of Purchase of Electricity/ Goods, Etc:-

- A) All Accounting units including Zonal offices/ Circle offices/ Division/ Sub-division offices required to identify the seller/ supplier/ potential supplier who may crossed threshold limit.
- B) The value/ aggregate value of any goods which purchased from a single person exceeds the threshold limit, that is more than Rs 50 lakhs in a financial year, required to make payment of TCS to the seller in their Bills.
- C) And such TCS amount paid to the supplier/ seller shall be accounted in A/C Head 28.8227- TCS paid to supplier on purchase of Electricity or A/C Head 28.8237 TCS paid to supplier on purchase of goods other than Electricity. And required to obtain the FORM No.27D from the such seller/ supplier within time limit.
- D) After obtaining the FORM No.27D, from the supplier/ seller, for tallying purpose such details are required to be reconciled with the Trail Balance at their respective Accounting units.
- E) Such TCS details along with FORM No.27D shall be submitted to the Tax section, Corporate office for reconciliation with FORM 26AS. And after reconciliation, IUA-AT shall be sent to Tax section for amount which was tallied with FORM No.27D/ Schedule/ TB.
- F) The details of such TCS shall required to maintain in the prescribed register format enclosed in this letter as **Annexure-2** separately.

If there is any violation of Section 206C(1H) provision under Income Tax Act, the concerned officers/ staff will be held responsible. And for any further clarification if required, may contact under signed office.


Chief Financial Officer.

Copy to:-

- The Chief General Manager (I/A), CESC, Corporate Officer, Mysuru.
- The Chief Engineer (Ele), Mysuru Zone/ Hassan Zone, CESC.
- All General Manager, CESC, Corporate Office, Mysuru.
- All SEEs O&M Circles, CESC.
- All Deputy General Manager, CESC, Corporate Office, Mysuru.
- Deputy General Manager (MIS) Corporate- for publication official website of CESC.
- All Executive Engineer (Ele) O&M Division, CESC- **Hereby directed to intimate this provision to all concerned subordinate offices under your jurisdiction.**
- The Asst. General Manager, (EBC)/(Finance)/(Revenue)/(IM), CESC, Corporate Office, Mysuru.
- All Account Officers-I/A, CESC.
- MF.

CHAMUNDESHWARI ELECTRICITY SUPPLY CORPORATION LIMITED, MYSURU

Name of the Sub-Division/ Division.....

DETAILS OF TCS COLLECTED DURING THE MONTH OF OCTOBER-2020

ANNEXURE-1A

Name of the Sub-division:

Amount in Rs.

Sl. No	Name of the Consumer	RR No	Tariff	Total Amount billed upto previous month	Amount billed during the current month	Cumulative Bill Amount	Bill Amount on which TCS applicable	Opening Balance of TCS recoverable	TCS demand raised during current month	Cumulative TCS demand raised	Total Amount paid by the consumer during current month including TCS	Applicable TCS included in Col. No. 12 (to be shown as negative collection Adj. in DCB)	Closing Balance of TCS recoverable
1	2	3	4	5	6	7 (5+6)	8	9	10	11	12	13	14
1	XVZ	CZ6583	H72A	5500000	100000	5600000	100000	0	75	75	50000	37	38

* Details mentioned above are illustrative.

CHAMUNDESHWARI ELECTRICITY SUPPLY CORPORATION LIMITED, MYSURU

DETAILS OF TCS COLLECTED DURING THE MONTH OF NOVEMBER 2020

Name of the Sub-division:

Amount in Rs.

Sl. No	Name of the Consumer	RR No	Tariff	Total Amount billed upto previous month	Amount billed during the current month	Cumulative Bill Amount	Bill Amount on which TCS applicable	Opening Balance of TCS recoverable	TCS demand raised during current month	Cumulative TCS demand raised	Total Amount paid by the consumer during current month including TCS	Applicable TCS included in Col. No. 12 (to be shown as negative collection Adj. in DCB)	Closing Balance of TCS recoverable
1	2	3	4	5	6	7 (5+6)	8	9	10	11	12	13	14
1	XVZ	CZ6583	H72A	5600000	175000	5775000	175000	38	131	169	225000	169	0

* Details mentioned above are illustrative.

CHAMUNDESHWARI ELECTRICITY SUPPLY CORPORATION LIMITED, MYSURU

DETAILS OF TCS COLLECTED DURING THE MONTH OF DECEMBER 2020

Name of the Sub-division:

Amount in Rs.

Sl. No	Name of the Consumer	RR No	Tariff	Total Amount billed upto previous month	Amount billed during the current month	Cumulative Bill Amount	Bill Amount on which TCS applicable	Opening Balance of TCS recoverable	TCS demand raised during current month	Cumulative TCS demand raised	Total Amount paid by the consumer during current month including TCS	Applicable TCS included in Col. No. 12 (to be shown as negative collection Adj. in DCB)	Closing Balance of TCS recoverable
1	2	3	4	5	6	7 (5+6)	8	9	10	11	12	13	14
1	XVZ	CZ6583	H72A	5775000	150000	5925000	150000	0	113	113	100000	75	38

* Details mentioned above are illustrative.

CHAMUNDESHWARI ELECTRICITY SUPPLY CORPORATION LIMITED, MYSURU

DETAILS OF TCS COLLECTED FROM CONSUMERS DURING THE MONTH OF

Name of the Division:

ANNEXURE-1B

Amount in Rs.

Sl. No.	Name of the Consumer	PAN of the Consumer	Receipt No	Receipt Date	Amount on which TCS collected by CESC	TCS Collected by CESC	TCS paid to IT Dept	Challan No/Date of payment
1	2	3	4	5	6	7	8	9
Total								

CHAMUNDESHWARI ELECTRICITY SUPPLY CORPORATION LIMITED, MYSURU

DETAILS OF TCS PAID TO SUPPLIERS DURING THE MONTH OF

Name of the Division:

ANNEXURE-2

Amount in Rs.

Sl. No.	Name of the Supplier	PAN of Supplier	P.O. No/ date	Bill No and date	Amount on which TCS collected by Supplier	TCS demand raised by Supplier	TCS demand paid by CESC	Date of payment
1	2	3	4	5	6	7	8	9
Total								