

ಚಾಮುಂಡೇಶ್ವರಿ ವಿದ್ಯುತ್ ಸರಬರಾಜು
ನಿಗಮ ನಿಯಮಿತ
(ಕರ್ನಾಟಕ ಸರ್ಕಾರದ ಸ್ವಾಮ್ಯಕ್ಕೆ ಒಳಪಟ್ಟಿದೆ)
ನಿಗಮ ಕಾರ್ಯಾಲಯ,
ಚಾವಿಸನಿನಿ, ಮೈಸೂರು - 570017
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CHAMUNDESHWARI ELECTRICITY
SUPPLY CORPORATION LIMITED
(Government of Karnataka undertaking)
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Company Identity Number[CIN]:- U40109KA2004SGCO35177

No: CESC/TAX/TDS/1/2022-TAX/E-34936 / Cys-1246
Encl:

Date: 11 DEC 2023

Circular

Sub:- Credit adjustment to Telecom service providers u/s 194Q of IT Act-Reg.

Ref:-1) Circular No: CESC/Tax/01/09/2021-22/Cys-450 Dated.28.06.2021

2) Note approved by Hon'ble DF vide No: 45 and GM(Project) vide No: 47

3) Note approved by Hon'ble MD vide No: 60 Dated.08.12.2023

Preamble:

As per Section 194Q of Income Tax Act 1961, any person who is a **buyer** of goods and whose **turnover** or sales during immediately preceding financial year **exceeds Rs.10 Crores**. Section provides that if such buyer makes **purchase** from any resident (seller) during the year of **value** or aggregate value **exceeding Rs. 50 Lakhs**, then such buyer shall deduct **TDS @ 0.1%** at the time of credit to the account of seller or at the time of payment, whichever is earlier. As per Memorandum explaining the provisions, if Permanent Account Number (PAN) is not provided by supplier, the **TDS** shall be at the rate of 5%.

CESC Vide Circular dated 28.6.2021 has directed the procedures to be followed by accounting units while accounting the collection and TDS when the consumers of CESC deducted TDS to comply the provisions of 194Q. Few consumers like Telecom Service providers whose installations spread all over CESC have to deduct TDS from monthly bill even though their each installations bill has not crossed Rs.50 Lakhs per annum since all there transaction are done with a single centralized PAN. In the above cases, accounting units have to give monthly credit adjustments to each installations . Due to lack of TDS payment details by consumer and credit adjustment is not given which will endup with Late payment surcharge in the next monthly bill. To avoid the same, telecom service providers paid the full energy bill (with out deducting TDS portion) to CESC and TDS to Income tax authority additionally. Further, at the end of the year they are approaching corporate office for getting credit adjustment/ refund of the same.

During the FY 2022-23, out of total TDS of Rs.74.95Lakhs with 41760 line deductions by consumers of CESC, 94% of deductions 39238 line items amounted Rs. 13.42 Lakhs are from Telecom service providers i.e., 10 companies like BSNL, Summit digital infrastructure, ATC telecom infrastructure (P) Ltd., Reliance jio infocomm limited etc.,

ನೋಂದಾಯಿತ ಕಛೇರಿ: ನಿಗಮ ಕಾರ್ಯಾಲಯ, ನಂ.29, ವಿಜಯನಗರ, ೨ನೇ ಹಂತ, ಹಿಂಕಲ್, ಮೈಸೂರು-570017

Registered Office: Corporate Office, #29, Vijayanagara, 2nd Stage, Hinkal, Mysuru-570017

As requested by telecom service providers, and to avoid time consumption towards credit adjustments to each installations and late payment charges issues in case of credit adjustment not given by accounting units.

Procedures to be followed to by all the accounting units :

As per section 194Q of Income Tax Act 1961, the consumers of CESC whose bill amount exceeds fifty lakh in any previous year will deduct TDS and the accounting units has to give credit adjustment based on the payment details given by consumer. After obtaining Form 16A (Quarterly) by respective consumer, the credit adjustment already passed shall be reconciled.

For few Telecom consumers whose installations are spread all over CESC , they have to identify one or two Installations of any one division where revenue demand is high from which the TDS of all bills of their company would be deducted and paid. Credit adjustment of TDS amount has to be provided by respective sub division of the identified installations based on the details of TDS breakup/ payment challan obtained by the consumer and credit adjustment JV by concerned Division. After submission of Form-16A by the consumer the credit adjustment already passed shall be reconciled with the corresponding 26AS of CESC, and which has to be duly audited by Divisional Accounts officer (I/A) of the identified installation/s. Communication of selected RR Nos will be intimated to the concerned Division office/s by the Corporate office. Further, other Divisional offices are instructed to not to provide Credit adjustment with respect to the TDS u/s 194Q of the concerned Telecom service consumers.

The credit adjustment passed in billing software will reflect in Collection Adjustments column of DCB. After generation of DCB, the credit adjustments passed by SDO shall be tallied with credit adjustment column of DCB.


Director(Finance),

Copy to:-

- The Chief General Manager (I/A), CESC, Corporate Officer, Mysuru, for information.
- 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 concerned all subordinate offices under your jurisdiction.
- The Asst. General Manager, (EBC)/(Finance)/(Revenue)/(IM), CESC, Corporate Office, Mysuru.
- All Account Officers-I/A, CESC.
- MF.