



प्रभासि शरि सुयय

JAIPUR VIDYUT VITRAN NIGAM LIMITED

Regd. Office: Vidyut Bhawan, Janpath, Jyoti Nagar, Jaipur (Raj.) - 302 005

Ph. 0141-2747082 ; Fax: 0141-2747082

Website: <http://energy.rajasthan.gov.in/jvvn1>

No. JPD/CAO (FM-W&M)/Sr.AO(A/Cs)/Acctts/F. /D. 1309 Dated 5/11/18

CIRCULAR

Sub: Deposition of TCS on CRC repairs of transformer/scrap.

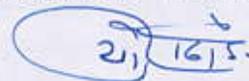
During the course of Statutory Audit of Annual Accounts for the year 2017-18, auditors pointed out that the Tax Collected at Source (TCS) on CRC repairs of transformer/scrap has been deposited by the Sr. AO (CPC) at the time of payment, whereas it should be deposited on due or receipt basis whichever is earlier. This may lead to deferment of Statutory Liability, where interest liability may arise for late deposition of TCS.

As per the provisions of section 206C of the Income Tax Act, 1961, every person, being a seller shall, at the time of debiting of the amount payable by the buyer to the account of the buyer or at the time of receipt of such amount from the said buyer in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, collect from the buyer of any goods of the nature specified, a sum equal to the specified percentage, of such amount as income-tax (TCS). Further, as per sub-section (7), if the person responsible for collecting tax does not collect the tax or after collecting the tax fails to pay it as required under this section, he shall be liable to pay simple interest at the rate of one per cent per month or part thereof on the amount of such tax from the date on which such tax was collectible to the date on which the tax was actually paid. As per the above provisions, in case of advance received on sale of scrap, the TCS has to be deposited upto the 7th day of the next month, otherwise interest may be payable to tax authorities on its detection.

In order to avoid deferment of TCS liability and likely interest liability on the Nigam, following guidelines are issued for collecting and depositing of Tax Collected at Source (TCS):

1. Value of scrap of CRC repair transformer is to be taken as determined in joint inspection report/work order.
2. Tax invoice shall be prepared by the concerned ACOS at the time of delivery of transformer to firm for repair.
3. The information of TCS amount as mentioned in invoice is to be sent to circle Accounts officer for depositing of TCS immediately.
4. TCS amount as intimated by ACOS at point no. 3 shall be deposited by Circle Accounts Officer on schedule dates in the succeeding month of billing.
5. For proper accounting of sale of scrap, GST, TCS etc, complete details of Tax invoices are to be sent by ACOS to Circle Accounts Officer alongwith Monthly COS -30. A copy of such detail is also to be sent to Sr. Accounts Officer (CPC) by 5th of succeeding month invariably.
6. At the time of making payment of transformer repair bill of the firms, Sr. Accounts Officer (CPC) shall ensure deduction of TCS on the basis of Tax invoices raised by the ACOS.
7. After receipt of details of Tax invoices, Circle Accounts Officer shall account-for tax invoices in the books of Accounts.

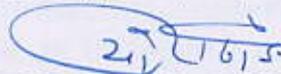
It is, therefore, enjoined upon all ACOS/Accounting unit incharge to ensure the compliance as above with immediate effect.



(Y.S. Rathore)
Chief Accounts Officer (FM-W&M)

Copy to the following for information & necessary action:

1. The Chief Accounts Officer (), JPD, Jaipur.
2. The Superintending Engineer (), JPD, _____.
3. The Sr. Accounts Officer/Accounts Officer (), JPD, _____.
4. The Assistant Controller of Stores (), JPD, _____.
5. The Assistant Accounts officer (Taxation), JPD, Jaipur.


Chief Accounts Officer (FM-W&M)