

## **Maharashtra State Electricity Distribution Co. Ltd.**

Office of the Director (Finance)  
Prakashgad, 6<sup>th</sup> Floor, Plot No.G-9, Bandra (East), Mumbai – 400 051

MSEDCL/AD/SB/718

Date:- 12/05/2010

### **CIRCULAR**

To,  
The Regional Executive Director , I/II/III, Kalyan, Pune, Nagpur.  
All Chief Engineers (O&M) Zone  
All Supdt. Engineers (O&M) Circle

#### **Sub:- Issuance of form 'C' under CST in TDS Certificate in respect of GFSS-II & Infra works.**

As per the terms of contract for the works under GFSS-II & Infra Schemes, MSEDCL has to issue the Form 'C' to the contractors. Also TDS Certificate is to be issued after deduction of Tax at source under Income Tax Act. However it is observed that some of the Circles are not issuing TDS Certificate in time. Further, details required for issuing form 'C' as per the Circular issued by this office vide D.O. No. MSEDCL/SB/30674 dtd. 17/09/2009 are not submitted to General Manager (CF), due to which form 'C' could not be issued to the contractors. The contractors have raised this issue in MD's review meeting dtd. 29/04/2010.

As per the instructions of Hon. M.D., the following procedure is to be followed for issue of form 'C' & TDS Certificate in future.

#### **FORM 'C':-**

- 1) As per the provisions of CST Act, the contractor shall prepare the Tax invoices for interstate purchases of material & and submit Tax invoices along with request letter for form 'C' to Main PMC at H.O.
- 2) The Main PMC shall verify the details received from the contractor & ensure that the 'C' forms will be issued towards the materials used by the contractor in various works. The 'C' forms will be issued only after execution of work & R.A. bills in respect of such works are paid (i.e. after booking in the books of accounts).
- 3) The Main PMC after verification of the material utilized in the works as per the Tax invoices will inform to the Circle Offices to enter the details of materials in the purchase register which is to be maintained by Circle Office. Further Circle Office shall confirm that the details of material recorded in the purchase register is properly booked in the books of account.
- 4) Since MSEDCL is having common TIN, a single 'C' form will be issued by MSEDCL for all the purchases made by a single Contractor during a particular quarter of the year. The Contractor shall ensure that details of all the purchases made for various contracts along with the Tax invoices is submitted to the Main PMC.

- 5) The Main PMC shall consolidate the requirement for the purpose of issue of 'C' form & forward the same to General Manager (CF) H.O. in proforma prescribed by the Sales Tax Department duly certified.
- 6) After receipt of the requirement of 'C' form from the Main PMC as above, the SB Section will lodge the requirement online with the Sales Tax Department.
- 7) After receipt of 'C' form the SB Section will issue the 'C' forms to the contractors centrally at H.O. under intimation to the concern Chief Engineer in charge of the project at H.O.
- 8) If the contractor has submitted the Tax invoices to Circle Offices, they should immediately forward the same to Main PMC at H.O.

**TDS:**

- 1) Presently the TDS is deducted by Loan section on the total bill amount of contractors & these bills are forwarded to REC/PFC for payment & the challan copies of TDS amount paid are forwarded to concern Superintending Engineer for issuing TDS Certificates.
- 2) Some of the contractors have stated in meeting that they have not received the TDS Certificate in time. It is now decided that henceforth, since H.O. is depositing the TDS amount, TDS Certificate will be issued by Store Billing Section at H.O. to the Contractors. The necessary details will be forwarded by the Store Billing Section to the concerned Supdt. Engineers of the Circles for accounting purpose.
- 3) Till the implementation of the change in the process of issue of TDS Certificate as above, the concerned Supdt. Engineers shall ensure that all the TDS Certificate for the payments made to the contractors till date are issued within 10 days from the receipt of this Circular under intimation to General Manager (CF).
- 4) The rates applicable for deduction of TDS shall be as per provisions of sec 194 C of Income Tax Act. Any changes in the same shall be properly taken care of.

The above instructions shall be followed immediately.

**Director (Finance)**

**Copy f.w.cs to:-**

- 1) The Director (Operations), H.O., Mumbai
- 2) The Director (Projects), H.O., Mumbai

**Copy to:-**

- 1) Executive Director (Projects), H.O., Mumbai
- 2) Chief Engineer (Infra /DSPC), H.O., Mumbai
- 3) Main PMC (M/s. Louis Berger), Prakashgad, Mumbai.
- 4) Chief General Manager (I/A), H.O., Mumbai