



PUNJAB STATE TRANSMISSION CORPORATION LIMITED

(Regd. Office: PSEB Head Office, The Mall, Patiala-147001)

Corporate Identity Number: U40109PB2010SGC033814

O/o Chief Financial Officer (A&R Section), Shakti Sadan, Patiala

www.pstcl.org e-mail: ao-comp@pstcl.org

Accounts Circular No. 10/2020/PSTCL

To

All Addl. SEs/Sr. Xens/AOs (All Accounting Units)
under PSTCL

Memo No. 1693-1738/CFO/A&R-20

Dated: 30.10.2020

Subject: Opening of new account codes for the accounting of 'TCS on Sale of Goods' under Income Tax Act, 1961.

Finance Act, 2020 has made an amendment by insertion of sub-section (1H) in section 206C of the Income Tax Act, 1961 which is effective from 01.10.2020 (*for details refer Income Tax Circular - 3/2020 dated 30.09.2020 of PSTCL*). As a result of the said amendment, a seller, who receives any amount as a consideration for the sale of any goods of the value or aggregate of such value exceeding Rs. 50 Lakh in any financial year shall at the time of receipt of such amount from the buyer, collect TCS from the buyer at the rate applicable on the sale consideration exceeding fifty lakhs. For the purpose of this section, sellers mean every person whose total sales, gross receipts or turnover exceed ten crore rupees during the financial year immediately preceding the financial year in which sale of goods is carried out.

As PSTCL falls in the definition of a 'Seller' and 'Buyer' of goods for above said amendment, it has to collect TCS from the buyers of goods and to pay TCS to the seller of goods. In this regard it is submitted that as per the provisions of Sec 206C(1H) of Income Tax Act, TCS is to be collected from buyers of goods on the receipt basis. To account for the TCS in the books of accounts the following new account codes are added in the booklet 'Chart of Accounts' (Commercial Accounting System Vol.-I, Part-I) as under:

Account Code	Account Head
27.402	Tax Collected at Source (TCS) on purchase of goods
23.834	Sundry debtor/Receivable for Tax Collected at source (TCS) from buyers of goods
46.924	Payable on account of Tax Collected at Source (TCS)

Explanation:

- 27.402 Any payment made by PSTCL to seller of goods for tax collected at source (TCS) at the time of purchase of goods will be debited to this account code. The debit in the account code will be cleared on the assessment against the provision of income tax or on receipt of refund.
- 23.834 The amount billed by PSTCL to buyer of goods on account of tax collected at source (TCS) will be debited to this account code per contra credited to account code 46.924.
- 46.924 The amount billed by PSTCL to buyer of goods on account of tax collected at source (TCS) will be credited to this account code per contra debit to account

code 23.834. This account code will be debited on payment of TCS to income tax authorities on due date as stipulated in act with amount actually received from buyer of goods.

Accounting Procedure:

- For TCS on purchase of goods

Sr. No.	Particular	Dr	Cr
1	At the time payment of TCS is made to seller of goods		
	Tax Collected at Source (TCS) on purchase of goods	27.402	
	Bank		24.4
2	At the time of refund from income tax authorities.		
	Bank	24.5	
	Tax Collected at Source (TCS) on purchase of goods		27.402

- For TCS on sale of goods

Sr. No.	Particular	Dr	Cr
1	At the time, the amount of TCS is billed to buyer of goods		
	Sundry debtor/Receivable for Tax Collected at source (TCS) from buyer of goods	23.834	
	Payable on account of Tax Collected at Source (TCS)		46.924
2	When amount is realised from buyer of goods		
	Bank	24.5	
	Sundry debtor/Receivable for Tax Collected at source (TCS) from buyer of goods		23.834
4	At the time of payment of TCS (amount actually received from buyer of goods)		
	Payable on account of Tax Collected at Source (TCS)	46.924	
	Bank		24.4

Notes:

1. For the purpose of applicability of TCS, goods mean 'Any goods' as referred in the Section 206C(1H).
2. The details of amount of TCS paid to seller of goods which is booked under account code 27.402 shall be supplied to AO/Income Tax on quarterly basis with supporting documents such as Form-27B/27D of each entry.
3. **PAN of buyers of goods to whom TCS is levied invariably be recorded in JV Package.**
4. **PAN of PSTCL (AAFCP4714J) must be supplied to seller/supplier of goods to ensure payment of TCS at reduced rate.**

This issues with the approval of competent authority.

Harminder Singh

Accounts Officer/A&R,
PSTCL, Patiala.

Copy of the above is forwarded to the following for information and further necessary action please:

1. All Er.-in-Chief/Chief Engineer under PSTCL.
2. Chief Accounts Officer (Finance & Audit), PSTCL, Patiala.
3. Company Secretary, PSTCL, Patiala.
4. SE/S&D, Shakti Sadan, PSTCL, Patiala.
5. All other Dy.CEs/SEs under PSTCL.
6. DGM/IT, PSTCL, Patiala.
7. All Joint/Dy. CAOs/Dy. CAs under PSTCL.
8. All AOs under PSTCL (except DDOs).

Harminde Singh

Accounts Officer/A&R,
PSTCL, Patiala.

CC:

1. Sr. PS to CMD, PSTCL, Patiala.
2. Sr. PS to Director/F&C, PSTCL, Patiala.
3. Sr./PS to Director/Admn., PSTCL, Patiala
4. Sr. PS to Director/Technical, PSTCL, Patiala

} for kind information of worthy
CMD/Directors please.