

**GOVERNMENT OF TELANGANA
COMMERCIAL TAXES DEPARTMENT**

From
Sri V. Anil Kumar, I.A.S.,
Commissioner of State Tax,
Telangana State,
Hyderabad.

To
The Director General, Police (Home) Department,
The VC & MD, Telangana State Housing
Corporation Limited,
The Director, Municipal Administration &
Urban Development,
The Commissioner of Panchayat Raj &
Rural Development,
The Commissioner of School Education Department
The Commissioner of Higher Education Department
The Commissioner of Technical Education Department
The Commissioner of Civil Supplies,
The Commissioner of Agriculture & Marketing,
The Commissioner of Health, Medical &
Family Welfare,
The Director, Women Development & Child Welfare,
The Director, Treasury & Accounts,
The Director, Finance (Works & Project),
The VC & MD, Telangana State
Irrigations Development Corporation,
The Chief Engineer (Roads and Buildings),
The Engineer in Chief, Rural Water
Supply and Sanitation.

CCT's Ref No. A(1)/63/2017, Dt. 08-02-2019

Sir,

Sub:- Commercial Taxes Department – TDS – Remittances of TDS amount –
Request for issue of instructions to all DDO's in each Department –
Regarding.

Ref:- CCT's Ref No. A(1)/63/2017, Date: 16-10-2018.

Kind attention is invited to the subject and the reference cited.

It is to inform that as per Section 51(1) of TGST Act, 2017, the provision of
TDS relating to TDS deductions are as follows:

Section 51(1): Notwithstanding anything to the contrary contained in this
Act, the Government may mandate:

- A department or establishment of the Central Government or State
Government; or
- Local authority ; or
- Governmental agencies ; or
- Such persons or category of persons as may be notified by the
Government on the recommendations of the Council.

To deduct tax at the rate of one percent from the payment made or
credited to the supplier of taxable goods or services or both, where the
total value of such supply, under a contract, exceeds two lakh and fifty
thousand rupees.

Hence, it is requested to kindly issue directions to all the DDO's working in
each of the department to ensure TDS is deducted for all payments as stipulated
and ensure the amount is remitted along with the returns.

In case of any failure to do so, will not only attract the penal provisions under the GST Act and will also deprive the State of the tax revenue causing resource crunch and also reducing the figure of annual tax collected in the State.

The penal provisions are as follows :

Section 51(4): If any deductor fails to furnish to the deductee the certificate, after deducting the tax at source, within five days of crediting the amount so deducted to the Government, the deductor shall pay, by way of a late fee, a sum of one hundred rupees per day from the day after the expiry of such five day period until the failure is rectified, subject to a maximum amount of five thousand rupees.

Section 51(6): If any deductor fails to pay to the Government the amount deducted as tax under sub-section (1), he shall pay interest in accordance with the provisions of sub-section (1) of section 50, in addition to the amount of tax deducted.

Section 122 (1): Where a taxable person who—

- (i) supplies any goods or services or both without issue of any invoice or issues an incorrect or false invoice with regard to any such supply;
- (ii) issues any invoice or bill without supply of goods or services or both in violation of the provisions of this Act or the rules made thereunder;
- (iii) collects any amount as tax but fails to pay the same to the Government beyond a period of three months from the date on which such payment becomes due;
- (iv) collects any tax in contravention of the provisions of this Act but fails to pay the same to the Government beyond a period of three months from the date on which such payment becomes due;
- (v) fails to deduct the tax in terms of sub-section (1) of section 51, or deducts an amount which is less than the amount required to be deducted under the said sub-section, or where he fails to pay to the Government under sub-section (2) thereof, the amount deducted as tax;
- (vi) fails to collect tax in terms of sub-section (1) of section 52, or collects an amount which is less than the amount required to be collected under the said sub-section or where he fails to pay to the Government the amount collected as tax under sub-section (3) of section 52;
- (vii) takes or utilizes input tax credit without actual receipt of goods or services or both either fully or partially, in contravention of the provisions of this Act, or the rules made thereunder;
- (viii) fraudulently obtains refund of tax under this Act;
- (ix) takes or distributes input tax credit in contravention of section 20, or the rules made thereunder;
- (x) falsifies or substitutes financial records or produces fake accounts or documents or furnishes any false information or return with an intention to evade payment of tax due under this Act;
- (xi) is liable to be registered under this Act but fails to obtain registration;
- (xii) furnishes any false information with regard to registration particulars, either at the time of applying for registration, or subsequently;
- (xiii) obstructs or prevents any officer in discharge of his duties under this Act;

- (xiv) transports any taxable goods without the cover of documents as may be specified in this behalf;
 - (xv) suppresses his turnover leading to evasion of tax under this Act;
 - (xvi) fails to keep, maintain or retain books of account and other documents in accordance with the provisions of this Act or the rules made thereunder;
 - (xvii) fails to furnish information or documents called for by an officer in accordance with the provisions of this Act or the rules made thereunder or furnishes false information or documents during any proceedings under this Act;
 - (xviii) supplies, transports or stores any goods which he has reasons to believe are liable to confiscation under this Act;
 - (xix) issues any invoice or document by using the registration number of another registered person;
 - (xx) tampers with, or destroys any material evidence or documents;
 - (xxi) disposes off or tampers with any goods that have been detained, seized, or attached under this Act,
- he shall be liable to pay a penalty of ten thousand rupees or an amount equivalent to the tax evaded or the tax not deducted under section 51 or short deducted or deducted but not paid to the Government or tax not collected under section 52 or short collected or collected but not paid to the Government or input tax credit availed of or passed on or distributed irregularly, or the refund claimed fraudulently, whichever is higher.

Late filing of TDS returns:-

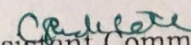
Late fee of Rs. 100 for every day which such failure continues subject to a maximum amount of five thousand rupees (Section 47(1) and Section 39(3) of TGST Act, 2017).

Therefore it is requested to kindly issue instructions to the DDO's working in the concerned Department to ensure that the provisions of SGST related to TDS deductors are strictly adhered to.

Yours faithfully,
Sd/- V. Anil Kumar
Commissioner (ST)

- Copy submitted to the Principal Secretary, Irrigation Department, Government of Telangana, Hyderabad.
- Copy submitted to the Principal Secretary, Road & Buildings Department, Government of Telangana, Hyderabad.
- Copy submitted to the Principal Secretary, MA & UD Department, Telangana, Hyderabad
- Copy submitted to the Principal Secretary, Panchayat Raj Department, Telangana, Hyderabad
- Copy submitted to the Principal Secretary, RWS Department, Telangana, Hyderabad
- Copy submitted to the Principal Secretary, Tourism & Culture Department, Telangana, Hyderabad

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Assistant Commissioner (ST)