



TAMIL NADU ELECTRICITY CONSUMERS' ASSOCIATION

Regd. No. 181-8524/1998 – CIN.No. U37102TZ1998GAP008524

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TECA:CIRCULAR/2020-21/204

7 December 2020

All Members

Sir,

Sub: Purchase of Power through IEX or through Bilateral / Third Party Routes-TANGEDCO levies GST on Cross Subsidy Surcharge and also on Wheeling Charges-Regarding.

Few of our members reported to TECA that on their purchase of IEX power / Bilateral Power / Third Party Power, while they pay Cross Subsidy Surcharge and Wheeling Charges, they have been charged with GST @ 18% on both the CSS and Wheeling Charges. Levying of GST on such charges is not acceptable to law, as they relate to Transmission and Wheeling of electrical energy, by such utilities like TANTRANSCO and TANGEDCO.

While TANTRANSCO was consulted, they are reporting to TECA that TANTRANSCO has not advised to collect GST on the Transmission Charges. However, as usual, the TANGEDCO will not consult the matter with anyone and it has started levying and demanding GST on both Cross Subsidy Surcharge and Wheeling Charges, both on IEX power as well as on Wheeling Charges alone on the wind and solar power.

We have filed our objection with the TANGEDCO Head Quarters to withdraw all such levy of GST on Wheeling Charges and requested for a direction to revise the CC bill containing GST on wheeling charges, based on the strength of Notification No.12/2017- Central Tax (Rate) dated 28.06.2017. The matter was taken up with IEX also for their intervention to object such levies on IEX / Bilateral Power.

Since the payment of CC bills is due by 08.12.2020 in respect of the month of November 2020 in some cases, members who want avoid levy of BPSC, can pay the bill on due date UNDER PROTEST. We are enclosed the Model letter for the reference of Members as Annexure 1.

TECA will deal the matter separately. Those who are normally paying the bill with BPSC, can wait till TANGEDCO Head Quarters decides the matter or the next due date happens. However, members are informed that the GST so paid, even if it is considered to be not correct, will make members eligible to claim ITC and can avail the same for their GST obligations. Hence, it is going to be only revenue neutral.

With Warm Regards

Dr. CB Senthilkumar
Secretary

Encl: Model Letter Annexure-1