



Circular No.: IEX/MO/317/2019

Date: 28th January, 2019

Withholding of 2% as Advance deposit for compliance of TDS on GST

Dear Members,

In pursuance of Rules, Bye-Laws and Business Rules of the Exchange and in partial modification to circular 304 and in continuation to circular 307 and 315, Members of the Exchange are notified as under:-

With respect to applicability of Tax Deduction at Source (TDS) for Renewable Energy Certificates (REC) sessions as per Section 51 of the Central Goods and Services Tax, 2017 ("CGST Act"), exchange would once again like to reiterate that in case of buyers, they shall submit a declaration to the exchange that TDS as per section Central Goods and Services Tax, 2017 ("CGST Act"), is applicable on them, atleast 3 working days before the trading session. Similarly, Seller who fall under the category specified in Section 51, will also have to intimate to the exchange atleast 3 working days before the trading session about the same.

Members may kindly be informed that the 2% money deducted from the seller's pay-out will be held by the exchange in the form of "**advance deposit towards TDS**". This money will be held on behalf of buyers who are liable to deduct TDS as per Section 51 of the GST Act. The member/buyer client shall deposit TDS as required under the GST regulation and furnish the TDS Certificate to the exchange with a copy to the seller within 5 days from the date of actual deposit of the TDS, **last date of submitting the TDS certificate to the exchange will be 25th of the following month.**

In case, if exchange does not receive the TDS certificate from the member/buyer client till 25th of the following month, then the advance deposit towards TDS withheld by the exchange will be released to respective sellers towards fulfilment of their pay-out obligation. In such case, all further settlement process of TDS between the buyer and the seller will have to be settled directly between the counterparties.

Please note that this procedure will also be applicable on ESCert trading as and when the trading will recommence. All other information provided in the Circular number 304 remains the same.

For and on behalf of
Indian Energy Exchange Limited
Akhilesh Awasthy

Director- Market Operations

----- Corporate office-----

Indian Energy Exchange Limited

Unit no.3,4,5 & 6, Fourth Floor, Plot No.7, TDI Center, District Center, Jasola, New Delhi 110 025

Phone: 011 - 4300 4000 | Fax: 011 - 4300 4015 www.iexindia.com CIN: L74999DL2007PLC277039