



PUNJAB STATE TRANSMISSION CORPORATION LIMITED
(Regd. Office: PSEB, Head Office, The Mall, Patiala-147001, Punjab, India)
Corporate Identity Number - U40109PB2010SGC033814,
Office of CFO, AO/Taxation, Shakti Sadan, Patiala
E-mail: ao-taxation@pstcl.org, Tel/Fax No. 0175-2203637

Taxation Circular no. 6 /2016

To

All Addl. SEs/Sr. Xens/AOs (DDOs)
Under PSTCL

Memo No: -1474-1521/CFO/Taxation/11

Dated: - 31/05/2016

Subject: - Provisions regarding Tax Deducted at Source under Income Tax Act, 1961 for the FY 2016-17 (AY 2017-18) and amendments made vide Finance Act, 2016 and Notification No. 30/2016 dated 29.04.2016.

To comply with various provisions of Tax Deducted at Source, provisions along with payment mechanism and filing of returns are given as under:-

1) TDS Rates for Financial Year 2016-17 (Assessment Year 2017-18)

(a) TDS Rate on Payment of Salary and Wages

Section 192	Payment of Salary and Wages
Criterion of Deduction	TDS is deducted if the estimated income of the employee is taxable. No tax is required to be deducted at source if the estimated total income of the employee is less than the minimum taxable income.
TDS Rate	On the basis of average rate , calculated as per income tax rates applicable on the estimated income of employee for the year and deducted at the end of every month.

(b) TDS Rates on Payments other than Salary and Wages

Section	Nature of Payment	On Payment Exceeding	TDS rates	
			Individual & HUF	Others
192A	Premature withdrawal from EPF (before continuing service of 5 years) w.e.f. 01.06.2015 (Amended by Finance Act, 2016 applicable w.e.f. 01.06.2016 earlier limit was Rs. 30000/-)	Rs.50000/-	10%	----
194A	Interest by Banks (other than Interest on Securities)	Rs.10000/-	10%	10%
194A	Interest by others (other than Interest on	Rs.5000/-	10%	10%

	Securities)			
194B	Winnings from Lotteries/Puzzle	Rs.10000/-	30%	30%
194BB	Winnings from Horse Races (Amended by Finance Act, 2016 applicable w.e.f. 01.06.2016 earlier limit was Rs. 5000/-)	Rs.10000/-	30%	30%
194C (1)	Payment to Contractors (Amended by Finance Act, 2016 applicable w.e.f. 01.06.2016 earlier limit was Rs. 75000/-)	Rs.30000/- (Aggregate during the FY Rs. 100000/-)	1%	2%
194C (2)	Payment to Sub-Contractor/ for Advertisement (Amended by Finance Act, 2016 applicable w.e.f. 01.06.2016 earlier limit was Rs. 75000/-)	Rs.30000/- (Aggregate during the FY Rs. 100000/-)	1%	2%
194IA	TDS on transfer of immovable property other than Agriculture Land (applicable w.e.f. from 01/06/2013)	Rs.50 Lakh	1%	1%
194 I	Rent of Land, Building or Furniture	Rs.180000/-	10%	10%
	Rent of Plant & Machinery	Rs.180000/-	2%	2%
194J	Payment of fee for Professional & Technical Services	Rs.30000/-	10%	10%
194J (ba)	Any remuneration or commission paid to Director of a company, other than those on which tax is deductible under Section 192	----	10%	10%
194LA	Compensation on acquisition of certain immovable property (Amended by Finance Act, 2016 applicable w.e.f. 01.06.2016 earlier limit was Rs. 200000/-)	Rs.250000/-	10%	10%
194D	Payment of Insurance Commission (Amended by Finance Act, 2016 applicable w.e.f. 01.06.2016 earlier limit was Rs. 15000/-)	Rs.20000/-	10%	10%
194H	Commission on Brokerage (Amended by Finance Act, 2016 applicable w.e.f. 01.06.2016 earlier limit was Rs. 5000/-)	Rs.15000/-	10%	10%

Notes:

1. No surcharge or education cess is deductible / collectible at source on payments made to residents {Individuals / HUF / Society / AOP / Firm / Domestic Company) on payment of incomes other than salary or wages.
2. TDS at higher rate of 20% or TDS rate, whichever is higher, has to be deducted if the deductee does not provide PAN to the deductor (section 206AA) except under section 192A where TDS is deducted at maximum marginal rate in case of PAN is not provided.

3. Earlier as per section 194C (6) w.e.f. from 01.10.2009 no tax was required to be deducted from any sum paid to a transport contractor provided such contractor furnishes his PAN. As per Finance Act, 2015 this benefit is restrict to only those Transport Contractors who owns 10 or less goods carriages at any time during the previous year and a declaration to this effect is furnished.

2) Point of Deduction of TDS

Salary: At the time of payment

Other Payments: When income paid or credited including credit to "Payable" or "Suspense" account.

3) Due Dates for depositing TDS

Month	Salary Payments	Other Payments
April to February	7th of next month	7th of next month
March	30 th April	30 th April

4) Consequences of failure to deduct tax:

Interest u/s 201 (1A): - @ 1% per month from the date when TDS was deductible till date of actual deduction.

5) Consequences of failure to deposit tax:

(a) **Interest u/s 201 (1A):** - @ 1.5% per month from the date of deduction till actual date of payment.

(b) **Penalty u/s Section 271C:-** If any person fails to deduct the whole or any part of the tax as required by or under the provisions of Chapter XVII-B then, such person shall be liable to pay, by way of penalty, **a sum equal to the amount of tax which such person failed to deduct or pay** as aforesaid.

(c) **Prosecution for failure to deduct /deposit tax at source u/s 276(B)**

Punishable with rigorous imprisonment for a term **which shall not be less than three months but which may extend to seven years and with fine.**

6) Provisions related to TDS Returns for Financial Year 2016-17 (Assessment Year 2017-18)

(a) Forms for submitting Quarterly Statements of Tax Deducted at Source (Rule 31A)

- (i) Statement of deduction of tax under section 192 in Form No. 24Q
- (ii) Statement of deduction of tax under all other sections in Form No. 26Q
- (iii) Statement of tax collected at source in Form No. 27EQ

(b) Due Dates for submitting Quarterly Statements of TDS (Rule 31A)

As per Notification No. 30/2016 dated 29.04.2016 issued by CBDT (applicable w.e.f. 01.06.2016), Income Tax Rule 31A has been amended and after amendment due dates for filling TDS Returns are as under:

Date of the ending of the Quarter	Amended Due Dates	Earlier Due Dates
30 th June	31 st July of the FY	15 th July of the FY
30 th September	31 st October of the FY	15 th October of the FY
31 st December	31 st January of the FY	15 th January of the FY
31 st March	31 st May of the immediately following FY	15 th May of the immediately following FY

(c) Penal Provisions for failure/default in submitting returns/statements

Section 272A (2)	Failure to Submit returns prescribed u/s 200(3)	Penalty of Rs. 100/- every day during which the failure continues up to a maximum of TDS amount
Section 234E	Failure to file TDS return in time	Fine of Rs. 200/- every day during which the failure continues subject to the maximum of TDS amount
Section 271H	If deductor defaults for more than 1 year in filling TDS Statements If Deductor furnishes incorrect PAN, TDS amount, Challan particular etc.	Penalty which shall not be less than Rs.10000/- but which may extend to Rs.100000/-.

Amendments made vide Finance Act, 2016 applicable w.e.f FY 2016-17 (AY 2017-18)

- Section 87A rebate of Rs. 2000/- is increased to Rs. 5000/- vide Finance Act, 2016 for an assessee, being an individual resident in India, whose total income does not exceed five hundred thousand rupees i.e. Rs. 5 Lac, shall be entitled to a deduction, from the amount of income-tax (as computed before allowing the deductions under this Chapter) on his total income with which he is chargeable for any assessment year, of an amount equal to hundred per cent of such income-tax or an amount of five thousand rupees, whichever is less.
- Further as per Notification no. 30/2016 dated 26.04.2016 issued by CBDT every assessee shall furnish Form 12BB (specimen attached) as per Rule **26C (Furnishing of evidence of claims by employee for deduction of tax under section 192)** as under:
 - (1) The assessee shall furnish to the person responsible for making payment under sub-section (1) of section 192, the evidence or the particulars of the claims referred to in sub-rule (2), in Form No.12BB for the purpose of estimating his income or computing the tax deduction at source.
 - (2) The assessee shall furnish the evidence or the particulars specified in column (3), of the Table below, of the claim specified in the corresponding entry in column(2) of the said Table:-

SI. No.	Nature of claims	Evidence or Particulars
(1)	(2)	(3)
1.	House Rent Allowance.	Name, address and permanent account number of the landlord/landlords where the aggregate rent paid during the previous year exceeds rupees one lakh.
2.	Leave travel concession or assistance.	Evidence of expenditure.
3.	Deduction of interest under the head "Income from house property"	Name, address and permanent account number of the lender.
4.	Deduction under Chapter VI-A.	Evidence of investment or expenditure.

Therefore assessee shall furnish to the person responsible for making payment under Section 192 (1) i.e. to DDO the evidence or the particulars of the claims in Form No.12BB for the purpose of estimating his income or computing the tax deduction at source for the FY 2016-17 (AY 2017-18). Specimen of the Form 12BB is attached herewith.

This is for your information and compliance the same.

Encl. Specimen of Form 12BB

Vijay K. Koushal

Accounts Officer/ Taxation
PSTCL, Patiala.

Dated: - 31/05/2016

Endst No: -1522-1557/CFO/Taxation/11

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

1. Engineer-In-Chief/TS, PSTCL, Patiala.
2. Chief Engineer/SLDC, PSTCL, Patiala.
3. Chief Engineer/P&M PSTCL Ludhiana.
4. Chief Engineer/HR, S&D and IT PSTCL, Patiala.
5. Financial Advisor PSTCL Patiala.
6. Company Secretary, PSTCL.
7. Chief Auditor, PSTCL, Patiala.
8. All Dy.CEs/SEs under PSTCL.
9. All Dy. CAOs / Dy. CAS / Dy. FAs under PSTCL.
10. All Addl. SEs/Sr. Xens (under PSTCL).
11. All AOs under PSTCL (other than DDOs).
12. SE/IT, PSTCL, Patiala for placing the circular on website of PSTCL.

Vijay K. Koushal

Accounts Officer/Taxation
PSTCL, Patiala.

CC:

1. Sr. PS to CMD, PSTCL, Patiala for kind information of CMD, please.
2. Sr. PS to Director/F&C, PSTCL, Patiala for kind information of Director, please.
3. Dy. Secy. to Director/Tech., PSTCL, Patiala for kind information of Director, please.
4. Sr. PS to Director/Admn., PSTCL, Patiala for kind information of Director, please.