



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

Taxation Circular no.3/2014

To

1. All Addl. SEs/Sr. Xens under PSTCL
2. All Accounts Officers under PSTCL

Memo No: - 2034-2090/CFO/Taxation/11  
Dated: - 15/09/2014

**Subject: - Provisions regarding Tax Deducted at Source under Income Tax Act, 1961.**

In order to compliance of various provisions of Tax Deducted at Source, provisions along with payment mechanism and filing of returns are informed as under:-

**1) TDS Rates for Assessment Year 2015-16 (Financial Year 2014-15)**

**(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               | As per Income Tax, Surcharge and Education Cess rates applicable on the estimated income of employee for the year.   |

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

| Section     | Nature of Payment                                      | On Payment Exceeding | Payment to       |        |
|-------------|--|----------------------|------------------|--------|
|             |  |                      | Individual & HUF | Others |
| 194A        | Interest by Banks (other than Interest on Securities)  | Rs.10000/-           | 10%              | 10%    |
| 194A        | Interest by others (other than Interest on Securities) | Rs.5000/-            | 10%              | 10%    |
| 194B        | Winnings from Lotteries/Puzzle                         | Rs.10000/-           | 30%              | 30%    |
| 194BB       | Winnings from Horse Races                              | Rs.5000/-            | 30%              | 30%    |
| 194C<br>(1) | Payment to Contractors                                 | Rs.30000/-           | 1%               | 2%     |

|              |   |             |     |     |
|--------------|---|-------------|-----|-----|
| 194C<br>(2)  | Payment to Sub-Contractor/ for Advertisement  | Rs.30000/-  | 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<br>(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   | Rs.200000/- | 10% | 10% |
| 194D         | Payment of Insurance Commission   | Rs.20000/-  | 10% | 10% |
| 194H         | Commission on Brokerage   | Rs.5000/-   | 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).
3. If the transporter quotes his PAN then no TDS should be deducted.

**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 <sup>th</sup> April | 30 <sup>th</sup> 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 Assessment Year 2015-16 (Financial Year 2014-15)**

**(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)**

| Date of the ending of the Quarter | Due Date  |
|-----------------------------------|---|
| 30 <sup>th</sup> June             | 15 <sup>th</sup> July of the FY                         |
| 30 <sup>th</sup> September        | 15 <sup>th</sup> October of the FY                      |
| 31 <sup>st</sup> December         | 15 <sup>th</sup> January of the FY                      |
| 31 <sup>st</sup> March            | 15 <sup>th</sup> May of the FY 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     | (i) If deductor defaults for more than 1 year in filling TDS Statements<br>(ii) 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/-.                |

**Note:** - CBDT vide its circular no... 1/2014 [F.NO.275/59/2012-IT (B)], dated 13-1-2014 has been decided that wherever in terms of the agreement/contract between the payer and the payee, the service tax component comprised in the amount payable to a resident is

indicated separately, tax shall be deducted at source under Chapter XVII-B of the Act on the amount paid/payable without including such service tax component.

This issue is with the approval of competent authority.

*Vijay Kumar*  
15/9/14  
Accounts Officer/ Taxation  
PSTCL, Patiala.

Endst No: -2091-2109/CFO/Taxation/11

Dated:- 15/09/2014

Copy of the above is forwarded to the following for information please.

1. All Engineer-in –Chief/ Chief Engineer in PSTCL
2. Financial Advisor PSTCL, Patiala
3. All Dy. CEs/SEs under PSTCL
4. All Dy. CAOs/ Dy. FAs under PSTCL
5. Company Secretary PSTCL, Patiala

*Vijay Kumar*  
15/9/14  
Accounts Officer/ Taxation  
PSTCL, Patiala.

CC. SE/IT, PSTCL, Patiala with a request to upload the circular on PSTCL website.