

**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.3/2015**

To

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

Memo No: -1066-1120/CFO/Taxation/11

Dated: - 05/06/2015

Subject: - Provisions regarding Tax Deducted at Source under Income Tax Act, 1961 for the FY 2015-16 (AY 2016-17).

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 2015-16 (Assessment Year 2016-17)

(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	Rs.30000/-	10%	----
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 (1)	Payment to Contractors	Rs.30000/- (Aggregate during the FY Rs. 75000/-)	1%	2%
194C (2)	Payment to Sub-Contractor/ for Advertisement	Rs.30000/- (Aggregate during the FY Rs. 75000/-)	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	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) 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. Now 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 Assessment Year 2016-17 (Financial Year 2015-16)**

(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 th June	15 th July of the FY
30 th September	15 th October of the FY
31 st December	15 th January of the FY
31 st March	15 th 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	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/-.

Note: - CBDT vide its circular no... 1/2014 [F.NO.275/59/2012-IT (B)], dated 13-1-2014 has 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.

Vipam Khandel
5/6/15
Accounts Officer/ Taxation
PSTCL, Patiala.

Endst No: - 1121-1139/CFO/Taxation/11

Dated: - 05/06/2015

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. Company Secretary PSTCL, Patiala
4. All Dy. CEs/SEs under PSTCL
5. All Dy. CAOs/ Dy. FAs under PSTCL
6. SE/IT, PSTCL, Patiala with a request to upload the circular on PSTCL website.

Vipam Khandel
5/6/15
Accounts Officer/ Taxation
PSTCL, Patiala.

CC:

Sr. PS to Director/F&C, PSTCL, Patiala for kind information of Director, please.