



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

Taxation Circular no. 7/2016

To

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

Memo No: -1558-1605/CFO/Taxation/11
Dated: - 31/05/2016

Subject: - Provisions regarding Tax Collected at Source (TCS) along with deposit mechanism and filing of returns for the FY 2016-17.

1.) Charge and Scope of TCS

Every person, being a seller shall, at the time of debiting of the amount payable by the buyer to the account of the buyer or at the time of receipt of such amount from the said buyer in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, collect from the buyer of any goods of the nature specified in column (2) of the Table below, a sum equal to the percentage, specified in the corresponding entry in column (3) of the said Table, of such amount as income-tax.

2.) Rate of TCS applicable for the FY 2016-17 (AY 2017-18)

Sl. No.	Nature of Goods	Rate
1	Alcoholic liquor for human Consumption	1%
2	Tendu leaves	5%
3	Timber obtained under forest lease	2.5%
4	Timber obtained by any mode other than a forest lease	2.5%
5	Any other forest produce not being timber or tendu leave	2.5%
6	Scrap	1%
7	Minerals, being coal or lignite or iron ore	1%
8	Parking lot, Toll Plaza, Mining & Quarrying	2%
9	Jewellery (if amount exceeds Rs. 5 Lac)*	1%
10	Bullion (if amount exceeds Rs. 2 Lac)*	1%
11	Sale of Motor Vehicles ((if amount exceeds Rs. 10 Lac)*	1%
12	Sale of Goods & Services in cash exceeding Rs. 2 lac*	1%

***Incorporated by Finance Act, 2016**

Notes:

ÉForest produce means grown spontaneously, though at later stage human efforts are required /applied in order to extract the resultant product. TCS is applicable on Forest produce and not on agriculture produce.

ÉScrap means waste and scrap from the manufacture or mechanical working of material which is definitely not usable as such because of breakage, cutting up, wear and other reasons.

ÉMining and quarrying does not include mining and carrying of mineral oil (i.e.) petroleum and natural gas.

ÉSurcharge, Education Cess and SH & EC ó Non Resident buyers only ó

(a) Surcharge @ 2.5%: Only in case where the buyer is a foreign company and the receipt exceeds Rs. 1 Cr.

(b) Education Cess @ 2%: Of the tax payable after including Surcharge (if any).

(c) Secondary and Higher Education Cess @ 1%: Of the tax payable after including Surcharge (if any).

ÉA buyer in the retail sale of such goods purchased for personal consumption (thus goods purchased by consumers) are not covered under TCS

3.) Exemption from TCS

ÉNo tax will be deducted from a buyer who purchases specified goods not for the purpose of trading but for the manufacturing, processing, or production of goods/article or thing.

ÉIn this case Buyer gives a declaration, for above use, in duplicate in Form 27C to the seller.

ÉThe seller shall deliver one copy, form 27C collected from buyer, to Chief Commissioner/ Commissioner of Income tax.

4.) TCS at Lower Rate

ÉA buyer can apply to his Assessing Officer in Form 13 for tax collection at lower rate.

ÉOn receiving application on Form 13, Assessing officer, if satisfied, may issue such certificate directly to seller under advice to the buyer. This rates is applicable for a specific seller, whose name is given in the certificate and not applicable as blanket approval for purchase of specified goods from anybody.

5.) Time of Remittance

Tax collected at source shall be deposited through challan No. 281 within one week from the last day of the month in which collection is made.

6.) Time limit for issue of TCS certificate

ÉThe certificate shall be issued to the buyer on Form 27D within 15 days from the end of the month during which amount is collected from the buyer.

ÉConsolidated form 27D may be issued for 6 months for transaction up to 30 September by 31 October and up to March 31 by April 30th on request from the buyer.

7.) Return of TCS

Return of TCS should be filed in form 27EQ in Computer Media accompanied by declaration in Form 27B as under:

Quarter Ending	Due Date
31 st March	15 th May of the succeeding financial year
30 th June	15 th July of the following month
30 th September	15 th Oct. of the following month
31 st December	15 th Jan of the following month

8.) Consequences of non-collection of TCS

(a) Interest (Section 206C (7) :

- (i) Simple interest @ 1% per month or part of the month on tax amount from the due date on which such tax was collectible to the date on which tax was actually paid.
- (ii) The Return should be filed only after payment of interest.

(b) Penalty

- (i) Penalty for Non filing of TCS returns: Rs. 100 per day subject to a maximum of the amount of tax collected.
- ÉPenalty for Non collection of TCS: Sum equal to amount of tax which the person failed to collect.

(c) Prosecution (Section 276BB)

Prosecution under section 276BB for failure to pay the tax collected at source for a period not less than 3 months which may be extended up to 7 years.

v. pan Krousel

Accounts Officer/ Taxation
PSTCL, Patiala.

Endst No: -1606-1641/CFO/Taxation/11

Dated: - 31/05/2016

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.

v. pan Krousel

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.