



**PUNJAB STATE TRANSMISSION CORPORATION LIMITED**

(Regd. Office: PSEB Head Office, The Mall, Patiala-147001)

**Office of CFO, Taxation Section, Shakti Sadan, Patiala**

**ao-taxation@pstcl.org Tel. /Fax No. 0175-2203637**

**Corporate Identity Number- U40109PB2010SGC033814**

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**Taxation Circular No. 2/2017**

To

1. Dy. Chief Engineer/SE, TLSC Circle, Patiala
2. Add. SE/Sr. Xen, TLSC Division, Patiala
3. Add. SE/Sr. Xen, TLSC Division, Mohali
4. Add. SE/Sr. Xen, TLSC Division, Jalandhar

Memo No: -1125-1128/CFO/Taxation/11

Dated: - 12.04.2017

**Subject: - Non Applicability of Section 206C of the Income Tax Act, 1961 i.e. Tax Collected at Source (TCS) on Purchase of Timber from Punjab State Forest Development Corporation Limited (PSFDC).**

PSTCL is purchasing timber from Punjab State Forest Development Corporation Limited (PSFDC) for clearance of right of way for construction of new transmission lines on which TCS is being collected by PSFDC @2.5% as per section 206C of Income Tax Act, 1961 and the same amount is being claimed by the PSTCL in their income tax return.

This office has examined the matter & taken the expert opinion and concluded that Section 206C of the Income Tax Act, 1961 is not applicable on the PSTCL being a Govt. company and is not covered under the definition of buyer as per above said Section. Therefore TCS is not required to be paid on the purchase of Timber from Punjab State Forest Development Corporation Limited (PSFDC).

Therefore you are requested to take the matter with concerned authorities of Punjab State Forest Development Corporation Limited (PSFDC) for non-collection of TCS on sale of Timber by them to PSTCL.

This issues with the approval of Director/F&C, PSTCL, Patiala.

Accounts Officer/ Taxation  
PSTCL, Patiala.

Endst No: -1129-1215/CFO/Taxation/11

Dated: - 12.04.2017

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/HIS&D 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
12. SE/IT, PSTCL, Patiala for placing the circular on website of PSTCL.

*Vijay Kumar*

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.