



**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](mailto:ao-taxation@pstcl.org), Tel/Fax No. 0175-2203637

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Taxation Circular no. 2/2016

To

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

Memo No: -897-944/CFO/Taxation/11  
Dated: - 05/05/2016

**Subject: - TDS on payments made to Punjab Ex-Servicemen Corporation (PESCO) for supply of manpower.**

As per the provisions of Section 10(26BBB) of Income Tax Act, 1961 any income of a corporation established by a Central, State or Provincial Act for the welfare and economic upliftment of ex-servicemen being the citizens of India is exempt from income tax.

Punjab State Ex-Servicemen Corporation (PESCO) was established by Govt. of Punjab under Punjab Act No 33 of 1978 for the welfare and economic upliftment of ex-servicemen. The functions of the Corporation shall be to provide for the welfare and economic upliftment of the ex-servicemen in the State and term ex-serviceman is similarly incorporated in Punjab Act No.33 of 1978 as defined in Section 10(26BBB) of Income Tax Act. Hence any income of Punjab State Ex-Servicemen Corporation (PESCO) is exempted from income tax under Section 10(26BBB) of Income Tax Act, 1961.

Further as per Govt. of India, CBDT Circular No. 7/2015 dated 23.04.2015, there is no requirement to deduct TDS from any payments made to such corporations whose income is exempt under Section 10(26BBB).

In the light of above provisions and expert advice taken by this office it has been decided not to deduct TDS on payments made to Punjab State Ex-Servicemen Corporation (PESCO) for supply of different categories of manpower in future.

This issues with the approval of CMD, PSTCL, Patiala.

Accounts Officer/ Taxation  
PSTCL, Patiala.

Dated: - 05/05/2016

Endst No: - 945-980/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) (*All other Accounting Units*).
11. All AOs under PSTCL (other than DDOs).
12. SE/IT, PSTCL, Patiala for placing the circular on website of PSTCL.



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.