



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 02/2018

To

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

Memo No: -1021-1067/CFO/Taxation/11

Dated: -30.04.2018

Subject: - Provisions regarding Tax Deducted at Source under Income Tax Act, 1961 for the FY 2018-19 (AY 2019-20) and amendments made vide Finance Act, 2018.

(A) 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 2018-19 (Assessment Year 2019-20)

(a) TDS Rate on Payment of Salary and Wages

| | |
|-------------------------------|--|
| Section 192 | Payment of Salary and Wages |
| Criterion of Deduction | TDS is to be 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 | Calculate income tax payable as per income tax rates rates applicable on the estimated income of employee for the year and to be deducted proportionately 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.50000/- | 10% | ---- |
| 194A | Interest by Banks (other than Interest on Securities) | Rs.10000/- | 10% | 10% |
| | | | | |

| Section | Nature of Payment | On Payment Exceeding | TDS rates | |
|-----------|---|--|------------------|--------|
| | | | Individual & HUF | Others |
| 194B | Winnings from Lotteries/Puzzle | Rs.10000/- | 30% | 30% |
| 194BB | Winnings from Horse Races | Rs.10000/- | 30% | 30% |
| 194C (1) | Payment to Contractors | Rs.30000/- (Aggregate during the FY Rs. 100000/-) | 1% | 2% |
| 194C (2) | Payment to Sub-Contractor/ for Advertisement | Rs.30000/- (Aggregate during the FY Rs. 100000/-) | 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.250000/- | 10% | 10% |
| 194D | Payment of Insurance Commission | Rs.20000/- | 10% | 10% |
| 194H | Commission on Brokerage | Rs.15000/- | 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. As per Finance Act, 2015 this benefit is restricted 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/late deposit:

(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 Financial Year 2018-19 (Assessment Year 2019-20)

(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 Dates for filling the return |
|-----------------------------------|------------------------------------|
| 30 th June | 31 st July of the FY |
| 30 th September | 31 st October of the FY |
| 31 st December | 31 st January of the FY |

| | |
|------------------------|--|
| 31 st March | 31 st May of the 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/-. |

7) Further as per Notification no. 30/2016 dated 26.04.2016 issued by CBDT every assessee shall furnish Form 12BB (specimen attached) as per Rule 26C (Furnishing of evidence of claims by employee for deduction of tax under section 192) as under:

(1) The assessee shall furnish to the person responsible for making payment under sub-section (1) of section 192, the evidence or the particulars of the claims referred to in sub-rule (2), in Form No.12BB for the purpose of estimating his income or computing the tax deduction at source.

(2) The assessee shall furnish the evidence or the particulars specified in column (3), of the Table below, of the claim specified in the corresponding entry in column(2) of the said Table:-

| SI. No. | Nature of claims | Evidence or Particulars |
|---------|---|---|
| (1) | (2) | (3) |
| 1. | House Rent Allowance. | Name, address and permanent account number of the landlord/landlords where the aggregate rent paid during the previous year exceeds rupees one lakh. |
| 2. | Leave travel concession or assistance. | Evidence of expenditure. |
| 3. | Deduction of interest under the head "Income from house property" | Name, address and permanent account number of the lender. |
| 4. | Deduction under Chapter VI-A. | Evidence of investment or expenditure. |

Therefore assessee shall furnish to the person responsible for making payment under Section 192 (1) i.e. to DDO the evidence or the particulars of the claims in Form

No.12BB for the purpose of estimating his income or computing the tax deduction at source for the FY 2018-19 (AY 2019-20). Specimen of the Form 12BB is attached herewith.

(B) Income Tax Rate Chart for FY 2018-19 (AY 2019-20) and some other important provisions

1. For Individuals below 60 years age (including Woman Assesses):

| Income | Tax Rate |
|------------------------------|-----------------|
| Upto Rs. 250,000 | Nil |
| Rs. 250,001 to Rs. 500,000 | 5% |
| Rs. 500,001 to Rs. 1,000,000 | 20% |
| Above Rs.1,000,000 | 30% |

For Individuals aged 60 years and above but below 80 years (Senior Citizen):

| Income | Tax Rate |
|------------------------------|-----------------|
| Upto Rs. 300,000 | Nil |
| Rs. 300,001 to Rs. 500,000 | 5% |
| Rs. 500,001 to Rs. 1,000,000 | 20% |
| Above Rs. 1,000,000 | 30% |

For Individuals aged 80 years and above (Very Senior Citizen):

| Income | Tax Rate |
|------------------------------|-----------------|
| Upto Rs. 500,000 | Nil |
| Rs. 500,001 to Rs. 1,000,000 | 20% |
| Above Rs. 1,000,000 | 30% |

➤ **Surcharge:** The amount of income tax computed in accordance with the above rates shall be increased by a surcharge @10% of such income tax in case of person having a total income exceeding Rs. 50 lakh and @15% of such income tax in case of person having a total income exceeding Rs. 1 crore.

➤ **Cess:** Existing Education Cess of 2% and Secondary and Higher Education Cess of 1% has been abolished and a new Cess by the name “**Health and Education Cess**” at the rate of 4% will be levied on the amount of income tax and surcharge as per **Amendment made by Finance Act, 2018.**

2. Restricting cash donations (Section 80G)

Finance Act 2017 has amended the Section 80G so as to provide that no deduction shall be allowed under Section 80G in respect of any donation of any sum exceeding Rs. 2000/- paid in cash (earlier limit was Rs. 10000/-).

3. Rebate allowable under Section 87A reduced from Rs. 5000/- to Rs. 2500/- (Section 87A)

Finance Act 2017 has amended the Section 87A so as to reduce the maximum amount of rebate available under this section from existing Rs. 5000/- to Rs. 2500/- on the total income of Rs. 350000/- instead of Rs. 500000/- earlier.

4. Standard Deduction on Salary Income of Rs. 40000/- Section 16(ia) and withdrawn of exemption of Transport Allowance and Medical Reimbursement

Finance Act, 2018 allowed a Standard Deduction of Rs. 40000/- or the amount of Salary, whichever is less from the Gross Salary Income. Further as per Notification no. 17/2018 dated 06.04.2018 exemption of Rs. 1600/- pm related to Transport Allowance (for the purpose of commuting between the place of residence and the place of duty) is withdrawn w.e.f AY 2019-20 (FY 2018-19) . However exemption of Transport Allowance of Rs. 3200/- pm paid to an employee, who is blind [*or deaf and dumb*] or orthopedically handicapped with disability of lower extremities is continue. Further also Medical Reimbursement exemption of Rs. 15000/- also withdrawn (clause v of proviso to Section 17(2)).

5. Deduction available to senior citizens (aged above 60 years) under Section 80D

- For payments made towards annual premium on health insurance or preventive health check-up.
- Payment made towards medical expenditure incurred by him on his medical treatment.

The monetary limit of deduction has been raised from Rs. 30000 to Rs. 50000/-.

6. Deduction of Interest income from deposits in case of Senior Citizens Section 80TTB

Finance Act, 2018 introduced a new Section 80TTB and allowed a deduction of Rs. 50000/- from Interest earned **on deposits to Senior Citizens** and no need to deduct TDS upto Rs. 50000/- as per amendment made in Section 194A. Further Section 80TTA deduction of Rs. 10000/- for interest on saving account shall only be allowed to individual and HUF and not to senior citizens who get the benefit under Section 80TTB.



Accounts Officer/ Taxation
PSTCL, Patiala.

Endst No: -1068-1103/CFO/Taxation/11

Dated: - 30.04.2018

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 (other than DDOs).
12. SE/IT, PSTCL, Patiala for placing the circular on website of PSTCL.

in from 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.