



PUNJAB STATE TRANSMISSION CORPORATION LIMITED
(Regd. Office: PSEB Head Office, The Mall, Patiala-147001)
Corporate Identity Number- U40109PB2010SGC033814
O/o Accounts Officer/Taxation, Shakti Sadan, Patiala
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Taxation Circular no.5/2014

To

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

Memo No: - 2110-2166/CFO/Taxation/11

Dated: - 15/09/2014

Subject: - Provisions regarding Tax Collected at Source along with deposit mechanism and filing of returns for the FY 2014-15.

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 and goods specified

Sl. No.	Nature of Goods	Rates in %
1.	2.	3.
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

Further as per **Section 206C (1C)** Every person, who grants a lease or a license or enters into a contract or otherwise transfers any right or interest either in whole or in part in company (hereafter in this section referred to as "licensee or lessee") for the use of such parking lot or toll plaza or mine or quarry for the purpose of business shall, at the time of debiting of the amount payable by the licensee or lessee to the account of the licensee or lessee or at the time of receipt of such amount from the licensee or lessee in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, collect from the licensee or lessee of any such license, contract or lease 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.

Sl. No.	Nature of contract or license or lease, etc.	Rates in %
1.	2.	3.
1	Parking lot	2
2	Toll Plaza	2
3	Mining & Quarrying	2

Notes:

- Forest 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.
- Scrap 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.
- Mining and quarrying does not include mining and carrying of mineral oil (i.e.) petroleum and natural gas.
- Surcharge, Education Cess and SH & EC – Non Resident buyers only –
 - (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).
- A 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

- No 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.
- In this case Buyer gives a declaration, for above use, in duplicate in Form 27C to the seller.
- The seller shall deliver one copy, form 27C collected from buyer, to Chief Commissioner/ Commissioner of Income tax.

4.) TCS at Lower Rate

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

- The 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.
- Consolidated 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
30 th June	15 th July
30 th September	15 th Oct.
31 st December	15 th Jan

8.) Consequences of non-collection of TCS

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

- 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.
- The Return should be filed only after payment of interest.

(b) Penalty

- Penalty for Non filing of TCS returns: Rs. 100 per day subject to a maximum of the amount of tax collected.
 - Penalty 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.

This issue is with the approval of competent authority.

Vijay Khandel
15/9/14

Accounts Officer/ Taxation
PSTCL, Patiala.

Dated: - 15/09/2014

Endst No: - 2167-2185/CFO/Taxation/11

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. All Dy. CEs/SEs under PSTCL
4. All Dy. CAOs/ Dy. FAs under PSTCL
5. Company Secretary PSTCL, Patiala

Vijay Khandel
15/9/14

Accounts Officer/ Taxation
PSTCL, Patiala.

CC. SE/IT, PSTCL, Patiala with a request to upload the circular on PSTCL website.