



**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)**

**Income Tax Circular - 02/2020**

To

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

**Memo No: - 358-400/CFO/Taxation/11**

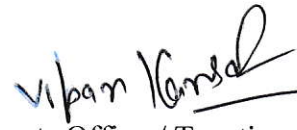
**Dated: -15.05.2020**

**Subject: - Regarding Reduction in Rate of Tax Deduction at Source (TDS) and Tax Collection at Source (TCS) for the period from 14th May, 2020 to 31st March, 2021.**

In order to provide more funds at the disposal of the taxpayers for dealing with the economic situation arising out of COVID-19 pandemic, Government of India has reduced the rates of TDS for various non-salaried specified payments and TCS for various specified receipts for the period from 14th May, 2020 to 31st March, 2021 vide press release dated 13.05.2020. The copy of the said press release has been attached herewith for ready reference. Kindly ensure the meticulous compliance of the revised rates while deduction and collection of tax at source for the period from 14th May, 2020 to 31st March, 2021.

This issues with the approval of competent authority.

DA/as above

  
Accounts Officer/ Taxation  
PSTCL, Patiala.

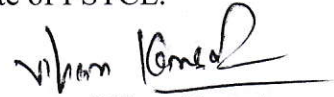
Endst No: - 401-442/CFO/Taxation/11

Dated: -15.05.2020

Copy of the above is forwarded to the following for information and further necessary action please.

1. All EICs/CEs under PSTCL, Patiala.
2. CAO/F&A, PSTCL Patiala.
3. Company Secretary, PSTCL.
4. All Dy.CEs/SEs under PSTCL.
5. All Joint/Dy. CAOs/Dy. FAs/Dy. CAs under PSTCL.
6. All Addl. SEs/Sr. Xens/AOs under PSTCL (other than DDOs)

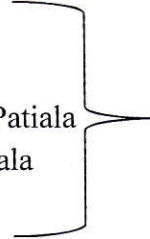
7. SE/IT, PSTCL, Patiala for uploading the circular on website of PSTCL.



Accounts Officer/Taxation  
PSTCL, Patiala.

CC:

1. PS to CMD, PSTCL, Patiala
2. PS to Director/F&C, PSTCL, Patiala
3. Joint. Secy. to Director/Tech., PSTCL, Patiala
4. Sr. PS to Director/Admin., PSTCL, Patiala



For Kind Information of  
CMD and Directors, please

Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Direct Taxes

New Delhi, 13<sup>th</sup> May, 2020

**PRESS RELEASE**

**Reduction in rate of Tax Deduction at Source (TDS) & Tax Collection at Source (TCS)**

In order to provide more funds at the disposal of the taxpayers for dealing with the economic situation arising out of COVID-19 pandemic, the rates of Tax Deduction at Source (TDS) for the following non-salaried specified payments made to residents has been reduced by 25% for the period from 14<sup>th</sup> May, 2020 to 31<sup>st</sup> March, 2021:-

S. No	Section of the Income-tax Act	Nature of Payment	Existing Rate of TDS	Reduced rate from 14/05/2020 to 31/03/2021
1	193	Interest on Securities	10%	7.5%
2	194	Dividend	10%	7.5%
3	194A	Interest other than interest on securities	10%	7.5%
4	194C	Payment of Contractors and sub-contractors	1% (individual/HUF) 2% (others)	0.75% (individual/HUF) 1.5% (others)
5	194D	Insurance Commission	5%	3.75%
6	194DA	Payment in respect of life insurance policy	5%	3.75%
7	194EE	Payments in respect of deposits under National Savings Scheme	10%	7.5%
8	194F	Payments on account of re-purchase of Units by Mutual Funds or UTI	20%	15%
9	194G	Commission, prize etc., on sale of lottery tickets	5%	3.75%
10	194H	Commission or brokerage	5%	3.75%

11	194-I(a)	Rent for plant and machinery	2%	1.5%
12	194-I(b)	Rent for immovable property	10%	7.5%
13	194-IA	Payment for acquisition of immovable property	1%	0.75%
14	194-IB	Payment of rent by individual or HUF	5%	3.75%
15	194-IC	Payment for Joint Development Agreements	10%	7.5%
16	194J	Fee for Professional or Technical Services (FTS), Royalty, etc.	2% (FTS, certain royalties, call centre) 10% (others)	1.5% (FTS, certain royalties, call centre) 7.5% (others)
17	194K	Payment of dividend by Mutual Funds	10%	7.5%
18	194LA	Payment of Compensation on acquisition of immovable property	10%	7.5%
19	194LBA(1)	Payment of income by Business trust	10%	7.5%
20	194LBB(i)	Payment of income by Investment fund	10%	7.5%
21	194LBC(1)	Income by securitisation trust	25% (Individual/HUF) 30% (Others)	18.75% (Individual/HUF) 22.5% (Others)
22	194M	Payment to commission, brokerage etc. by Individual and HUF	5%	3.75%
23	194-O	TDS on e-commerce participants	1% (w.e.f. 1.10.2020)	0.75%

2. Further, the rate of Tax Collection at Source (TCS) for the following specified receipts has also been reduced by 25% for the period from 14th May, 2020 to 31<sup>st</sup> March, 2021:-

S. No	Section of the Income-tax Act	Nature of Receipts	Existing Rate of TCS	Reduced rate from 14/05/2020 to 31/03/2021
1	206C(1)	Sale of		
		(a) Tendu Leaves	5%	3.75%
		(b) Timber obtained under a forest lease	2.5%	1.875%
		(c) timber obtained by any other mode	2.5%	1.875%
		(d) Any other forest produce not being timber/tendu leaves	2.5%	1.875%
		(e) scrap	1%	0.75%
		(f) Minerals, being coal or lignite or iron ore	1%	0.75%
2	206C(1C)	Grant of license, lease, etc. of	2%	1.5%
		(a) Parking lot		
		(b) Toll Plaza	2%	1.5%
		(c) Mining and quarrying	2%	1.5%
3	206C(1F)	Sale of motor vehicle above 10 lakhs	1%	0.75%
4	206C(1H)	Sale of any other goods	0.1% (w.e.f 01.10.2020)	0.75% 0.075%

3. Therefore, TDS on the amount paid or credited during the period from 14<sup>th</sup> May, 2020 to 31<sup>st</sup> March, 2021 shall be deducted at the reduced rates specified in the table in para 1 above. Similarly, the tax on the amount received or debited during the period from 14<sup>th</sup> May, 2020 to 31<sup>st</sup> March, 2021 shall be collected at the reduced rates specified in the table in para 2 above.

4. It is further stated that there shall be no reduction in rates of TDS or TCS, where the tax is required to be deducted or collected at higher rate due to non-furnishing of PAN/Aadhaar. For example, if the tax is required to be deducted at 20% under section 206AA of the Income-tax Act due to non-furnishing of PAN/Aadhaar, it shall be deducted at the rate of 20% and not at the rate of 15%.

5. Legislative amendments in this regard shall be proposed in due course.

(Surabhi Ahluwalia)  
Commissioner of Income Tax  
(Media & Technical Policy)  
Official Spokesperson, CBDT