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MAHA VITARAN
Maharashtra State Electricity Distribution Co. Ltd.

MAHARASHTRA STATE ELECTRICITY DISTRIBUTION CO. LTD.

Prakashgad, 1st Floor, Plot G-9, Bandra (E), Mumbai-400 051.

Website : www.mahadiscom.in

Phone : 26474211, 26472131

No. CGM(CF)/MSEDCL/773

Date : 20.02.2010

C I R C U L A R

Sub : TDS at Higher Rate on all transactions not having
Permanent Account Number w.e.f. 1st April, 2010.

It is understood that a new provision relating to Tax Deduction at Source (TDS) under Income Tax Act, 1961 will become applicable w.e.f. 1st April 2010. Tax at higher rate of the prescribed rate or 20% will be deducted on the transactions liable to TDS, where the Permanent Account Number (PAN) of the deductee is not available. The law will also apply to all non-residents in respect of payments / remittances liable to TDS.

As per the expected new provisions certificate for deduction at lower rate or no deduction shall not be given by the Assessing Officer under Section-197 or declaration by deductee under Section-197A for non-deduction of TDS on payment shall not be valid, unless the application bears PAN of the applicant / deductee. All deductors are liable to deduct tax at higher rate in all transactions not having PAN of the deductees on or after 1st April, 2010.

In order to that, there is no dispute regarding quoting / non-quoting of PAN or accuracy thereof, the law requires all deductees and deductors to quote PAN of deductees in all correspondence, bills, vouchers and other documents sent to each other. In view of the above provisions, it is directed to ensure to obtain PAN No. of the deductors invariably before March 2010 wherever the tax is required to be deducted at source.

It is also directed to communicate in writing to the concerned that non-submission of PAN No. to the deductee will attract a highest rate of TDS w.e.f. 1st April, 2010.

All concerned are directed to follow the instructions scrupulously.

S. S. Kishore
20/02/2010
Chief General Manager (CF)

To

The General Manager (F&A), MSEDCL, Mumbai.
The Manager (CA) / (F&A-SB), MSEDCL, Mumbai.
The Dy. Manager (SB), MSEDCL, Mumbai.

Copy s.w.rs.to :- Director Finance), MSEDCL.

TDS at higher rate

TDS at a higher rate on all transactions not having PAN PROVISION TO COME INTO EFFECT FROM 1ST
APRIL 2010

A new provision relating to tax deduction at source (TDS) under the Income Tax Act 1961 will become applicable with effect from 1st April 2010. Tax at higher of the prescribed rate or 20% will be deducted on all transactions liable to TDS, where the Permanent Account Number (PAN) of the deductee is not available. The law will also apply to all non-residents in respect of payments / remittances liable to TDS. As per the new provisions, certificate for deduction at lower rate or no deduction shall not be given by the assessing officer under section 197, or declaration by deductee under section 197A for non-deduction of TDS on payments shall not be valid, unless the application bears PAN of the applicant / deductee. All deductors are liable to deduct tax at the higher rate in all transactions not having PAN of the deductees on or after 1st April 2010. In order that there is no dispute regarding quoting / non-quoting of PAN or accuracy thereof, the law requires all deductees and deductors to quote PAN of deductees in all correspondences, bills, vouchers and other documents sent to each other. All deductors are, therefore, advised to intimate their deductees to obtain and furnish their PAN so as to avoid TDS at a higher rate. All deductees, including non-residents having transactions in India liable to TDS, are advised to obtain PAN by 31st March 2010 and communicate the same to their deductors before tax is actually deducted on transactions after that date. Application for PAN can be filed in Form 49A to National Securities Depository Ltd. (NSDL) or Unit Trust of India Investor Services Ltd. (UTIISL) or their intermediaries. Non-residents can apply through the local embassy / consulate of India.

CGM(CF)
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