

**TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LIMITED
(ACCOUNTS BRANCH)**

From
K.Balakrishnan, M.Com., ACMA., DLL.,
Chief Financial Controller/General (FAC)
144, Anna Salai,
Chennai-600 002.

To
All Chief Engineers,
All Superintending Engineers,
All Financial Controllers,
All Drawing & Disbursing Officers/HQs.

Letter No.CFC/GL/FC/TAX/AAO/F.Circular/D.99/2024, dt.08.01.2024.

Sir,

Sub: TANGEDCO – Income Tax compliance – Higher rate of TDS/TCS for non-linking of PAN with Aadhaar from 1st July 2023 – Instructions issued – Reg.

Ref: 1. Letter No.CFC/GL/FC/TAX/AAO/F.Circular/D.46/2023, dt.13.07.2023.
2. CBDT Press release and Notification dated 28.03.2023

In the reference (1) cited above, the amendments made in the Finance Act 2023 and TDS/TCS rates applicable for Financial Year 2023-24 for specified persons and other than specified persons, due date for remittance of TDS/TCS, due date for filing of Quarterly return, consequences of failure to deduct/collect TDS/TCS, consequences of failure to remit TDS/TCS or Late payment and Penal provisions for default in filing returns have been communicated for information and for strict adherence. Meanwhile in the CBDT press release and notification, it is stated that if PAN is not linked with Aadhaar, such PAN becomes inoperative from 1st July 2023 and the following are consequences to the PAN holders during the period that PAN remains inoperative.

(i) no refund shall be made against such PANs

(ii) interest shall not be payable on such refund for the period during which PAN remains inoperative;

(iii) TDS and TCS shall be deducted /collected at higher rate in accordance with provisions of Section 206AA/206CC.

Now, the Income Tax Department has started issuing demand notices/intimation u/s.200A while processing TDS/TCS Quarterly returns viz. II Quarter of FY 2023-24 treating the inoperative PANs as Invalid PANs and demanding higher rate of TDS u/s.206AA/206CC. *The TDS & TCS rates for non-linked Aadhaar PANs of individuals are enclosed in 'Annexure-A'.*

In this regard, the following instructions/guidelines are issued strict adherence and for compliance of TDS provisions:-

- Aadhaar linking is mandatory for individuals only. To know whether the PAN relates to an individual, check the PAN. If the 4th letter in PAN is 'P', it denotes that the PAN number is of an individual [PAN:AUCPEE1450F, here 4th letter 'P' denotes individual] and requires linking of Aadhaar.
- All the Superintending Engineers/Pay Drawing and Disbursing Officers/Deputy Financial Controllers/ Financial Controllers are requested to verify whether PAN of individuals i.e. Employees/ Vendors/ LT & HT Consumers/ Fly ash vendors/ Scrap dealers/ Contractors are linked with their Aadhaar numbers. *The screenshots for verifying the status of PAN in TRACES portal using the Login Credentials of TAN is enclosed in 'Annexure-B'.*
- If any PAN is not Linked with Aadhaar numbers, it is requested to inform the concerned persons for linking of Aadhaar numbers with their PANs.
- During the non-linking period, TDS will have to be deducted at the higher rate as per 206AA read with rule 114AAA(3)(iii), similarly TCS will also have to be collected at higher rate as per rule 114AAA(3)(iv) (*TDS/TCS rates enclosed*). Failure to deduct higher rate of TDS will lead to levy of interest by income tax department.
- It is informed that the higher rate of TDS/TCS will be applicable upto the date of linking of PAN by the concerned Persons. Therefore all the AOs, AdmOs, DDOs,DFCs, FCs will have to check the status of PAN linked with Aadhaar before passing of the bills so as to avoid short deduction, Interest and also notices from Income Tax Department.
- If TDS defaults such as Short deduction, interest are arising due to non-linking of PAN of the Employees/ Vendors/ LT & HT Consumers/ Fly ash vendors/ Scrap dealers/ Contractors with their Aadhaar, it is instructed to inform them to link the PAN and also to recover the differential tax along with the interest from the bill of the Employees/ Vendors/LT & HT Consumers/ Fly ash vendors/ Scrap dealers/ Contractors, remit the same to Income Tax Department and revise the respective TDS/TCS quarterly returns.

It is once again instructed that Interest/Penalty etc. for any non-compliance of TDS provisions shall not be borne by TANGEDCO from 01.04.2018 and such Interest/Penalty will have to be recovered from concerned staff/officers who is responsible for such non-compliance.

Any queries/clarification shall be immediately brought to Taxation wing then and there.

Sd/.....(08.01.2024)

CHIEF FINANCIAL CONTROLLER/GL.(FAC)

Copy to the Chief Financial Controllers and Chief Internal Audit Officer.

Copy to all Deputy Financial Controllers in Accounts Branch/Head Quarters.

Copy to the Chief Engineer/Information Technology – for information and necessary action.

Copy to the Superintending Engineers/IT1 & IT2.

Copy to the Executive Engineer/HT & Executive Engineer/Project Best.

ANNEXURE-A
TDS/TCS RATES APPLICABLE FOR FINANCIAL YEAR 2023-24

(i) TDS rates for Financial Year 2023-24 :

Sl. No.	Nature of Payments	Section	TDS rate for other than specified person	Threshold limit (in Rs.)	TDS rate if PAN furnished but Income Tax Return not filed for AY 2022-23 (Specified Person-u/s.206AB)	TDS rate if PAN not furnished and Income Tax Return not filed for AY 2022-23 [u/s.206AB (specified person) with 206AA] / PAN not linked with Aadhaar
1.	Salary as per rates for F.Y.2023-24*	192	Slab rates	Income Tax slab		
2.	Interest on Securities	193	10%	5,000/-	20%	20%
3.	Dividend	194	10%	5,000/-	20%	20%
4.	Interest other than interest on securities	194A	10%	5,000/-	20%	20%
5.	Payment to Contractors by any person			30,000 (single bill) or 1 lakh aggregate bills during the financial year		
	Individual/HUF	194C	1%		5%	20%
	Others	194C	2%		5%	20%
6.	Payment of commission or Brokerage	194H	5%	15,000	10%	20%
7.	Rent for Plant and machinery	194I(a)	2%	2,40,000	5%	20%
8.	Rent for immovable property (Land, building, furniture and fittings)	194I(b)	10%	2,40,000	20%	20%
9.	Payment made on account of transfer of immovable property other than agricultural land. **	194IA	1%	50,00,000	5%	20%
10.	Payment of Professional or Technical services, Royalty etc.					
	Technical services, call centre, certain royalties	194J	2%	30,000	5%	20%
	Professional fees and others	194J	10%	30,000	20%	20%
11.	Compensation on transfer of certain immoveable property than Agriculture Land	194LA	10%	2,50,000	20%	20%

Sl. No.	Nature of Payments	Section	TDS rate for other than specified person	Threshold limit (in Rs.)	TDS rate if PAN furnished but Income Tax Return not filed for AY 2022-23 (Specified Person- u/s.206AB)	TDS rate if PAN not furnished and Income Tax Return not filed for AY 2022-23 [u/s.206AB (specified person) with 206AA] / PAN not linked with Aadhaar
12.	Purchase of goods (w.e.f. 01.07.2021) <i>(TCS u/s.206C(1H) will not apply if TDS is applicable under this section)</i>	194Q	0.1%	50,00,000	5%	5%
13.	a) Income from fees for technical services payable to Nonresident	195	20%+Applicable surcharge and cess of 4% on TDS and surcharge	No threshold limit	Surcharge shall be applicable as per the slab rate for <u>non-corporate/individual</u> 1) 50 lac to 1 crore = 10% 2) 1 crore to 2 crore = 15% 3) 2 crore to 5 crore = 25% 4) 5 crore and above = 37%. For <u>corporate</u> 1) 1 to 10 crore = 2% 2) 10 crore and above = 5% For non-corporate firms upto Rs.1 crore = Nil above Rs.1 crore = 12%	
	b) Any Income payable to Non-Resident	195				
	Other than Companies		30% + Applicable surcharge and cess of 4% on TDS & surcharge			
	Companies		40% + Applicable surcharge and cess of 4% on TDS and surcharge			

(ii) TCS rates for Financial Year 2023-24:

Sl. No.	Nature of Receipts	Section	TCS rate	TCS rate if no PAN/Invalid PAN	TCS rate if PAN furnished but Income Tax Return not filed for AY 2022-23 (Specified Person- u/s.206CCA)	TCS rate if PAN not furnished and Income Tax Return not filed for AY2022-23 [u/s.206CC (specified person) with 206CCA] / PAN not linked with Aadhaar
1.	Sale of Scrap	206C(1)	1%	5%	5%	5%
2.	Sale of any other goods <i>(In case of transaction on which TDS u/s.194Q is applicable, then TCS u/s.206C(1H) not applicable)</i>	206C(1H)	0.1%	1%	5%	5%

ANNEXURE-B

Steps to Verify PAN Validity

1. Login to Traces

Home | About Us | Contact Us | e-Tutorials | Related Links | Login

Search In Keyword

TDS Centralized Processing Cell

TRACES TDS Reconciliation Analysis and Correction Enabling System

Home Deductor Tax Payer PAO Help

Online filing of applications in Form 15C and 15D will be available on the TRACES website from 01.04.2023 onwards


Login

☒ Deductor ☐ Taxpayer/PAO

User Id* 1AOCPR

Password* *****

TAN for Deductor* HYDS08188F

Verification Code*  Click to refresh image

Enter text as in above image* N4GCE

Login

For Deductors:

- If you are not yet registered in TRACES, you may login for first time with existing User Id & Password as provided by TIN and your TAN
- If you are unable to login with TIN User Id & Password, please register as new user in TRACES
- If you are already registered in TRACES, please login with your registered User Id, Password & TAN

Common Note:

- This website uses cookies to maintain user preference and session information. Disabling cookies in your browser might not allow you to perform certain activities

2. Go To Dashboard.

Home | About Us | Contact Us | e-Tutorials | Related Links | Logout

Search In Keyword

TDS Centralized Processing Cell

TRACES TDS Reconciliation Analysis and Correction Enabling System

Dashboard Statements / Payments Defaults Communications Forms Downloads Profile

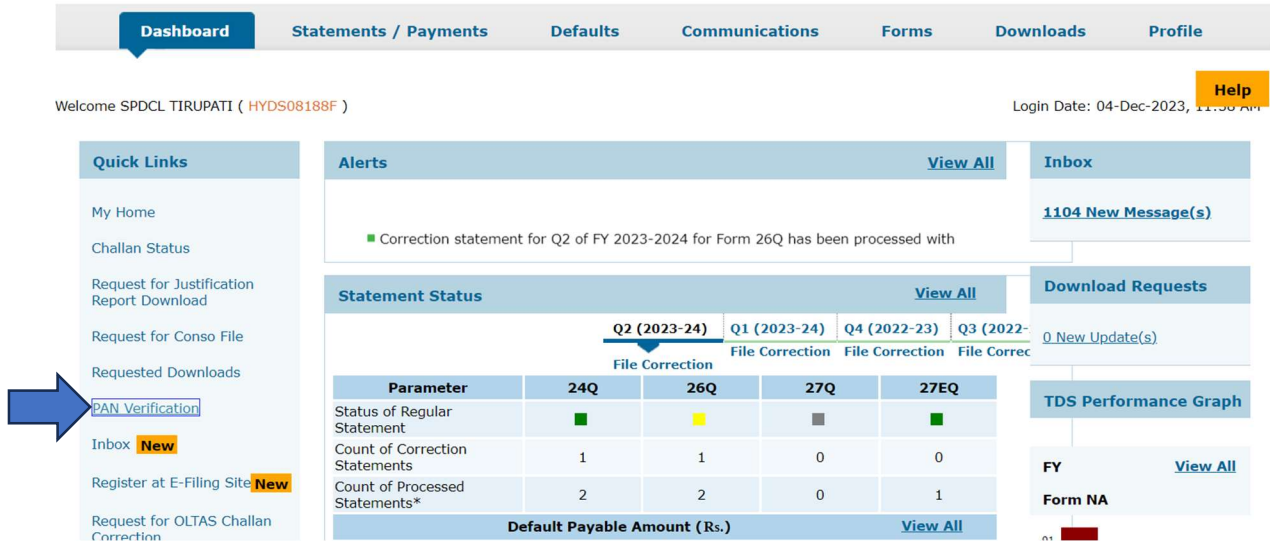
Welcome SPDCL TIRUPATI (HYDS08188F) Login Date: 04-Dec-2023, 11:36 AM

Online Correction related to Form Type 27EQ for Quarter 2 for F.Y. 2023-24 has been enabled no

Download guides for 1. Extension of due date for TDS/TCS related compliances 2. DOs AND DO NOTs FOR DEDUCTORS 3. The A-Z of TDS

Quick Links	Welcome to TRACES!	Customer Care
Challan Status	TRACES is a user-friendly application that will help you to manage your TDS / TCS account. Some of the functionalities available through TRACES are listed below.	Toll-Free: 1800 103 0344
Request for Justification Report Download	Dashboad view presenting summary of your account	0120 4814600
Request for Conso File		

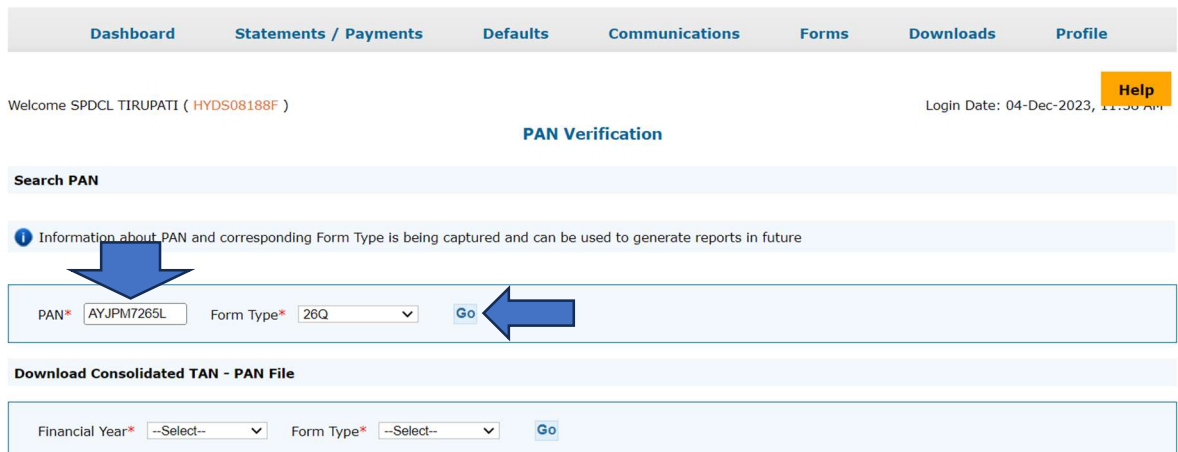
3. Click on PAN Verification



The screenshot shows the SPDC TIRUPATI dashboard. The top navigation bar includes links for Dashboard, Statements / Payments, Defaults, Communications, Forms, Downloads, and Profile. The user is logged in as SPDC TIRUPATI (HYDS08188F) on 04-Dec-2023 at 11:58 AM. The left sidebar contains a 'Quick Links' menu with items like My Home, Challan Status, Request for Justification Report Download, Request for Conso File, Requested Downloads, PAN Verification (highlighted with a blue arrow), Inbox (New), Register at E-Filing Site (New), and Request for OLTAS Challan Correction. The main content area shows Alerts, Statement Status (with a table of parameters and values), and a right sidebar with Inbox (1104 New Message(s)), Download Requests (0 New Update(s)), and TDS Performance Graph.

Parameter	24Q	26Q	27Q	27EQ
Status of Regular Statement	■	■	■	■
Count of Correction Statements	1	1	0	0
Count of Processed Statements*	2	2	0	1

4. Provide the PAN Number in the Given Column and Select the Respective Form Type and Click on Go



The screenshot shows the PAN Verification form. The top navigation bar is the same as the dashboard. The user is logged in as SPDC TIRUPATI (HYDS08188F) on 04-Dec-2023 at 11:58 AM. The form has a 'Search PAN' section with a message: 'Information about PAN and corresponding Form Type is being captured and can be used to generate reports in future'. Below this is a form with fields for PAN* (AYJPM7265L), Form Type* (26Q), and a Go button. A blue arrow points to the PAN field, and another blue arrow points to the Go button. Below the search section is a 'Download Consolidated TAN - PAN File' section with fields for Financial Year* (--Select--) and Form Type* (--Select--), and a Go button.

5. Verify the Status of PAN. (Valid and Operative).

The screenshot displays the 'PAN Verification' section of a web application. At the top, there is a navigation bar with links: Dashboard, Statements / Payments, Defaults, Communications, Forms, Downloads, and Profile. Below the navigation bar, a welcome message reads 'Welcome SPDCL TIRUPATI (HYDS08188F)' and a login date 'Login Date: 04-Dec-2023, 11:58 AM' is shown next to a 'Help' button. The main heading is 'PAN Verification'. Underneath, there is a 'Search PAN' section with a blue arrow pointing to it. A message states: 'Information about PAN and corresponding Form Type is being captured and can be used to generate reports in future'. The search form contains 'PAN*' with the value 'AYJPM7265L', 'Form Type*' with a dropdown set to '26Q', and a 'Go' button. Below the search form, the 'PAN Details' section shows the 'Status' as 'Valid and Operative' (highlighted with a blue arrow) and the 'Name' as 'MUDUKUPPAM RAJAGOPAL'. At the bottom, there is a 'Download Consolidated TAN - PAN File' section with 'Financial Year*' set to '--Select--', 'Form Type*' set to '--Select--', and a 'Go' button.

6. Verify the Status of PAN. (Valid and inoperative).

The screenshot displays the 'PAN Verification' section of a web application, similar to the one above. The navigation bar and welcome message are identical. The main heading is 'PAN Verification'. Underneath, there is a 'Search PAN' section with a blue arrow pointing to it. A message states: 'Information about PAN and corresponding Form Type is being captured and can be used to generate reports in future'. The search form contains 'PAN*' with the value 'BJAPP2374J', 'Form Type*' with a dropdown set to '26Q', and a 'Go' button. Below the search form, the 'PAN Details' section shows the 'Status' as 'Valid and Inoperative' (highlighted with a blue arrow) and the 'Name' as 'SIBBLA PARTHASARATHY'. At the bottom, there is a 'Download Consolidated TAN - PAN File' section with 'Financial Year*' set to '--Select--', 'Form Type*' set to '--Select--', and a 'Go' button.

THANK YOU