

MUMBAI PORT TRUST
OFFICE OF THE ESTATE MANAGER

No. EM/AS-G/F-310/8679

Date: 27 MAR 2014

CIRCULAR

To,
Lessees / Tenants / Licensees and all
Concerned under Income Tax Act.

Sub: Income Tax deducted at Source on rentals
during Financial Year 2013 – 14.
- Forwardal of TDS certificates.

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In terms of Section 194-I of Income Tax, 1961, any person responsible for paying to a resident any income by way of rent, shall, at the time of credit of such income to the account of the payee or at the time of payment thereof in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, deduct income tax thereon at the rate periodically informed by I.T. authorities, which for the financial year 2013-14 is ten percent, for the use of any land or building or land appurtenant to a building. Proviso to the said section states that no deduction shall be made where the aggregate of amounts of such income to be credited or paid by the aforesaid person during the financial year does not exceed Rs.1,80,000/-. Section 197 *ibid* empowers the Assessing Officer of Income Tax Department to issue, on an application by the assessee, a certificate for deduction of income tax at any lower rate or 'nil' rate.

2. As you are aware, during the first quarter of the Financial Year 2013-14, income tax @10% was deducted by many lessees & tenants on rental payments till 19th June, 2013 after which tax was deductible at 'Nil' rate in case of some lessees and tenants in terms of the certificates under Section 197 *ibid* issued by concerned Income Tax authorities upto the limits specified therein. Thus, from 20.06.2013 to 31.03.2014, there has been comparatively less deduction of income tax on rental receipts.

3. The Financial Year, 2013-14 is nearing an end. In order to claim credit for Income Tax deducted at Source on rentals while filing Income Tax Return, kindly furnish the TDS certificates (Form No.16A) which is to be downloaded by the Tax deductor only from 'TRACES' – the web site available for the same. Even while filing the Return of Income, the amount appearing in Form 26AS – credit shown as per 'TRACES' – is to be claimed as refund against TDS for that particular Financial Year. This will also help in reducing the TDS amounts shown as outstanding in your accounts. A list of TDS certificates still awaited from lessees and tenants is being displayed on the Notice Board of Cash Office for general information.

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4. As such in accordance to the provisions of Income-Tax, you have to ensure that the TDS certificates forwarded are downloaded from TRACES and not printed manually. Since the Income Tax department allows refund to the extent of the amount appearing in 26AS, in no case the Manually printed 'Form No.16A' will be accepted. In cases where tax is deducted at source after making full payment of MbPT dues by you and refund is requested, no credit/refund may be allowed to the lessees / tenants against the TDS certificates issued in manual form.

5. From 01.04.2014, you are requested to deduct TDS as per Section 194-I of Income Tax Act, 1961 till further communication from this office.

6. It shall be necessary for all tenants / lessees / licensees to furnish the PAN No., TAN No. alongwith certified copy of the documents issued by I.T. department indicating correct billing code No. & Plot No. of MbPT, nature of payment with monthwise details of billed and paid amount for TDS to facilitate proper accounting of such amounts paid by them. All the payments and relevant I.T. documents including quarterly challans, TDS certificates, Tax Returns etc. under reference should be submitted at Estate Cash Section only within stipulated time, failing which the amount received will be treated as part payment as against the "compensation paid towards arrears payable to MbPT".

7. Your co-operation in the matter is solicited.

sd/-

(G. Dutta)
ESTATE MANAGER

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