

The Secretary,  
The Bombay Custom House Agents' Association

The Secretary,  
Mumbai & Nhava Sheva Ship Agents' Association

Dear Sirs,

**Sub : Tax deduction at source for  
 Financial Year 2009-10(A.Y. 2010-11).**

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By circular No. TM/B/6-1/3 of 2008-09 dated 16.04.09, all port users were requested to deduct tax at source on MbPT's income as per the rates prescribed under the Income-Tax Act and submit immediately the original TDS certificates duly signed to the respective offices where payment is made.

2. As per the amendments carried out in Finance Act, 2009, the rate of TDS applicable for F.Y. 2009-10 are as under :

Sr. No.	Nature of Payment	Section of I.T. Act	Rate of I.Tax	Surcharge	E.C.	TDS rate Applicable
1.	Contract	194C	2%	Nil	Nil	2%
2.	Rent	194I	20%	Nil	Nil	20% (upto 30.9.09)
			10%	Nil	Nil	10% (from 1.10.09)
3.	Interest	194A	10%	Nil	Nil	10%

Note 1 : MbPT being a "Local Authority" surcharge is not applicable.

Note 2 : All payments and deposits done under section 194C of Income Tax Act attract TDS on total amount including Service Tax.

Note 3 : All payments and deposits done under section 194I of Income Tax Act attract TDS on total amount of bill excluding Service Tax.

3. For the F.Y. 2009-10, the Port is yet to receive the exemption certificates under section 197 of Income Tax Act, 1961 allowing TDS at lower rate. On receipt of the same the rates allowed by I.T. authorities will be intimated immediately. Till then the rates mentioned in above table will be applicable for TDS on MbPT's income pertaining to F.Y. 2009-10.

4. You are requested to take note of the same and give wide publicity amongst your members.

Sd/-  
(K. UTHAYA KUMAR)  
DY.DOCKS MANAGER (GEN.)

Copy forwarded for information to -

The Secretary,  
Indian Merchants Chamber, Mumbai  
The Secretary,  
Mumbai Chambers of Commerce & Industry