CONTROVERSIES IN TDS

WESTERN INDIA REGIONAL COUNCIL
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

BIRLA MATUSHRI SABHAGRIH, MUMAI

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June 2014

I AM THE COUNTRY'S DRAFTSMAN,

I DRAFT THE COUNTRY'S LAWS,

FOR MOST OF THE LITIGATION,

I AM THE CAUSE!

AS QUOTED BY RETD.JUSTICE SMT. SUJATA MANOHAR

FACTORS GIVING RISE TO CONTROVERSIES:

- Amendments to the act - TDS and other provisions
- Issue of circulars and notifications
- Interpretational issues
- Caselaws and legal precedents
- One giving rise to the other.

OVERVIEW:

- **Section 192: Salaries**
- **Section 194C: Payments to Contractors**
- **Section 194H: Commission and Brokerage**
- **Section 194I : Rent**
- **Section 194J : Professional fees**
- **Section 40(a): Disallowance**
- **Section 206AA: PAN compulsion**
- **Traces related issues**

- **SECTION 192 - Salary.**

(1) Any person responsible for paying any income chargeable under the head "Salaries" shall, at the time of payment, deduct income-tax on the amount payable at the **average rate** of income-tax computed on the basis of the rates in force for the financial year in which the payment is made **on the estimated income** of the assessee under this head for that financial year.

- Circular 8/2013 dated 10.10.2013
- Circular 8/2012 dated 5.10.2012
- Circular No. 5/2011 dated 16.08.2011
- Circular No. 8/2010 dated 13.12.2010
- Circular No. 1/2010 dated 11.01.2010

The circulars generally start with explaining the provisions as enacted in the Law:

Every person who is responsible for paying any income chargeable under the head "Salaries" shall deduct income-tax on the ***estimated*** *income of the assessee under the head "Salaries" for the financial year ….. The income-tax is required to be calculated on the basis of the rates given above, subject to the provisions related to requirement to furnish PAN as per sec 206AA of the Act, and shall be deducted at the time of each payment. No tax, however,* ***will be required*** *to be deducted at source in any case unless the* ***estimated*** *salary income including the value of perquisites, for the financial year exceeds ……., as the case may be, depending upon the age of the employee.*

The circulars, further contain the general spirit in the following words:

The amount of tax as arrived at para 6.3 should be deducted every month in equal installments. Any excess or **deficit arising out of any previous deduction can be adjusted by increasing or decreasing the amount of subsequent deductions** during the same financial year.

These instructions are **not exhaustive** and are issued only with a **view to help the employers to understand the various provisions relating to deduction of tax from salaries.**

However the terms used have been interpreted and applied in a manner to lead to following decisions:

Commissioner of Income Tax v. ITI Ltd. 183 Taxman 219 (SC)
Commissioner of Income Tax & anr. V. Larsen & Toubro ltd. 313 ITR 1 (SC)

JANUARY 21, 2009

Section 10(5), read with section 192, of the Income-tax Act, 1961 - Leave travel concession - Whether an employer is under no statutory Obligation to collect evidence to show that its employee has actually utilized amount paid towards leave travel concession/conveyance allowance for purpose of TDS under section 192 - Held, yes

HELD

The beneficiary of exemption under section 10(5) is an individual employee. Further, ***there is no circular of the Central Board of Direct Taxes (CBDT) requiring the employer under section 192 to collect and examine the supporting evidence*** *to the declaration to be submitted by an employee(s). For the above reasons, it was to be held that the assessee-employer was under no statutory obligation to collect the evidence to show that its employees had actually utilized the amount paid towards leave travel concession/conveyance allowance.*

CIRCULAR OF 2013 – Stark Difference in comparison with all earlier circulars. The recommendatory tone is now the **mandatory** tone.

"***DDOS TO SATISFY THEMSELVES ABOUT THE GENUINENESS OF CLAIM:***

*The Drawing and Disbursing Officers **should** satisfy themselves about the actual deposits/ subscriptions / payments made by the employees, by calling for such particulars/ information as they deem necessary before allowing the aforesaid deductions. In case the DDO is not satisfied about the genuineness of the employee's claim regarding any deposit/ subscription/ payment made by the employee, he **should not** allow the same, and the employee would be free to claim the deduction/ rebate on such amount by filing his return of income and furnishing the necessary proof etc., therewith, to the satisfaction of the Assessing Officer."*

Om Parkash Gupta *v.* ITO, Chandigarh

58 SOT 304 (Chd) (Trib) APRIL 29, 2013

Section 10(5) of the Income-tax Act, 1961, read with rule 2B of the Income-tax Rules, 1962 - Leave Travel Concession [Foreign travel] - Assessment year 2007-08 - Whether, leave travel concession is exempt under section 10(5), read with rule 2B, only if assessee-employee undertakes journey to **any place in India** - Held, yes - Whether section 10(5), read with **rule 2B no way provides that assessee is at liberty to claim exemption out of his total ticket package spent on his overseas travel and part of journey within India** - Held, yes

SECTION 17(2)(vii): Superannuation fund contribution: When FBT provisions were introduced, the contribution to Superannuation was subjected to FBT in the hands of the employer. After one year, it was revised and the amount subjected tax was only in excess of Rs.1 lac per employee per year. With the withdrawal of FBT the taxability has shifted back to the employee and thus the contribution of amounts exceeding Rs. 1 lac is taxable perk u/s 17(2). The employee is thus taxed for an amount which he does not receive in hand. Further on retirement, when the annuity is taken, the same is again subject to tax, therefore the same income is being taxed twice!

SUGGESTION:

Restore position to prior to FBT regime, the contribution to Superannuation was not taxed in the hands of the employee and pension to be taxed as and when received. This principle has been upheld in **Royal Bank of Scotland [2014] 45 taxmann.com 283 (AAR –Delhi) only for the purposes of section 192 – not 17(2).**

229 ITR 394 [1998] 98 TAXMAN 138 (BOM.)
Commissioner of Income-tax *v.* D.P. Malhotra
JULY 28, 1997
Section 10(10AA) of the Income-tax Act, 1961 - Exemption - Leave encashment - Assessment year 1982-83 - Whether, if on retirement or even on resignation from employment, assessee gets by way of leave encashment any amount, he is entitled to benefit of section 10(10AA) - Held, yes

" it is clear from the language of cl. (10AA) itself that it has been used in the widest possible terms to mean and include all cases of retirement, whether on superannuation or otherwise. What is relevant is "retirement"—how it took place is immaterial for the purpose of this clause. It is, therefore, clear that if on resignation by the employee, an employee gets by way of leave encashment any amount, cl. 10(10AA) would apply and the assessee will be entitled to the benefit of the said clause to the extent mentioned therein.—CIT vs. R.J. Shahney 159 ITR 160 (Mad) **relied on.**

SECTION 9

Income deemed to accrue or arise in India.

(1) The following incomes shall be deemed to accrue or arise in India—

(i) …..

(ii) income which falls under the head "Salaries", if it is earned in India.

[**Explanation :** For the removal of doubts, it is hereby declared that the income of the nature referred to in this clause payable for—

(a) service rendered in India; and

(b) the rest period or leave period which is preceded and succeeded by services rendered in India and forms part of the service contract of employment,

shall be regarded as income earned in India.]

HISTORY: (in bound expats)

- **CIT v. S G Pgnatale 124 ITR 391 (Guj)**

Section 9(1)(ii) of the income-tax act, 1961—Income—deemed to accrue or arise in india—salary earned in india—foreign technician, assessee resident but not ordinarily resident, rendering supervisory and advisory services in india as employee of foreign company and being paid retentio remuneration outside india and living allowance in india—Whether tribunal right in law in holding that income computable under the head "salaries" had not been earned in india under section 9(1)(iii)—Held, on facts, yes

- **CIT v. Eli Lilly Company India Private Limited. 312 ITR 225 SC - March 25, 2009**

If any payment of income chargeable under head 'Salaries' falls within section 9(1)(ii), then TDS provisions would stand attracted - Held, yes - Whether question as to whether home salary payment made to expatriated employees by foreign company in foreign currency abroad can be held to be 'deemed to accrue or arise in India', would depend upon in-depth examination of facts in each case - Held, yes - Whether where home salary/special allowance payment made by foreign company abroad is for rendition of services in India and no work is found to have been performed for foreign company, such payment would certainly come under section 192(1), read with section 9(1)(ii) - Held, yes

OUT BOUND EXPATS:

Arvind Singh Chauhan *v.* Income-tax Officer, Ward 1(2), Gwalior
42 taxmann.com 285 (Agra - Trib.)

- Salary income cannot be said to accrue in India merely because appointment letter is issued in India
- Non-resident cannot be deemed resident by applying sec. 6(5) as the said provision has become redundant since 1989-90

ITO v. Sri Sunil Chitranjan Muncif (2013) 58 SOT 356 (Ahd.)(Trib.)
S.5: Scope of total income–Non–resident-Salary income-Accrual of Income from employment could not be taxed in India-DTAA-India-UK [S.90, Art.16]

- Where assessee, a NRI, received salary income in India against employment exercised in U.K. and offered same for taxation in U.K. in pursuance of article 16, it could not be taxed in India as per DTAA between India and U.K. (AY.2006-07)

Payments to contractors.

194C. (1) Any person responsible for paying any sum to any resident (hereafter in this section referred to as the contractor) for carrying out any **work** (including supply of labour for carrying out any work) in pursuance of a contract …

Explanantion (iv) "work" shall include:

(a) …

(b) …

(c) Carriage of goods or passengers by an mode of transport other than by railways;

(d) ..

Sub-section (6) No deduction shall be made from any sum credited or paid or likely to be credited or paid during the previous on account of a contractor **during the course of business of plying, hiring or leasing goods carriages** , on furnishing his PAN to the person paying or crediting such sum.

43 SOT 215 (Mum.)
Tata AIG General Insurance Co. Ltd.[*]
Assessee entered into arrangements with various parties for hiring of cars - for transportation of employees and visitors for purpose of assessee's business - Assessee deducted tax at source from payments of car hire charges as per provisions of section 194C - Assessing Officer held assessee was liable to deduct tax at source as per provisions of section 194-I - Whether since contracts entered into by assessee with concerned vendors for hiring of cars clearly established that there were no specific cars identified and earmarked for assessee and it was only arrangement for providing cars of a particular category to facilitate transportation of employees and guests of assessee from one place to another, assessee had rightly deducted tax at source from payments of car hire charges as per provisions of **section 194C - Held, yes**

"work shall include:
(e) Manufacturing or supplying a product according to the requirement or specification of a customer by using material purchased from such customer, but does not include manufacturing or supplying a product to the requirement or specification of a customer by using material purchased from a person, other than such customer.

Glenmark Pharmaceuticals Ltd., 324 ITR 199 (Bom)
The assessee has an agreement with a third party for the manufacture of certain pharmaceutical products - assessee provides the formulations and specifications. The manufacturer affixes the trademark of the assessee on the articles produced after purchase of raw materials. Property in the goods passes to the assessee only on delivery. This agreement is on a principal to principal basis. The assessee contends that the contract is a contract of sale. The Revenue contends that the contract is a contract of 'work' and tax was deductible at source under Section 194C.HELD – 194C **not attracted.**

3 SOT 16 (DELHI) National Panasonic India (P.) Ltd. *v. DCIT* 2-2-2005.

Section 194-I - Deduction of tax at source - Rent – A Y 2001-02 - Whether a payment is liable for tax deduction only under one section - Held, yes - Whether agreement or arrangement which gives rise to payment of rent must necessarily be an agreement or arrangement predominantly for use of land or building - Held, yes - Whether where agreement is not predominantly for use of land or building, but for something else, then payment under that agreement will not constitute rent even if that 'something else' involves use of land or building as an integral part of or incidental to predominant objective of agreement - Held, yes - Whether a C & F agent is a link between manufacturer and consumers and there is time gap between receipt of goods by C & F agent and their onward despatch but merely because C & F agent stores goods of manufacturer in intervening period, character of payment made by manufacturer to agent does not undergo any change so as to call it rent either under general law or for purposes of section 194-I - Held, yes - Whether an instant contract was a contract for carrying out a work between assessee and agent, and assessee had deducted tax at source under section 194C, tax could not be deducted under section 194-I also - Held, yes

CIRCULAR : *NO. 720, DATED 30-8-1995.*

Payment of any sum shall be liable for deduction of tax only under one section.
It has been brought to the notice of the Board that in some cases persons responsible for deducting tax at source are deducting such tax by applying more than one provision for the same payment. In particular, it has been pointed out that the sums paid for carrying out work of advertising are being subjected to deduction of tax at source under section 194C as payment for work contract as also under section 194J as payments of fees for professional services.

2. It is hereby clarified that each section, regarding TDS under Chapter XVII, deals with a particular kind of payment to the exclusion of all other sections is this Chapter. Thus, payment of any sum shall be liable for deduction of tax only under one section. Therefore, a payment is liable for tax deduction only under one section.

S 194C v. 194I:
Definition of rent:
u/s 194I: Airport Landing Charges / Wharfage Charges -
United Airlines*v. *Commissioner of Income-tax
Section 194-I of the Income-tax Act, 1961 - Deduction of tax at source - Rent - Whether landing of aircraft or parking aircraft amounts to user of land of airport and, hence, landing fee and parking fee will amount to rent within meaning of Explanation (i) to section 194-I - Held, yes

Singapore Airlines Ltd. 358 ITR 237 (MAD) JULY 13, 2012
Whether payment of landing and parking charges by an airlines to Airport Authority is to be treated as payment to contractors under section 194C and not as payment of rent under section 194-I - Held, yes [In favour of assessee]

SLP IN SUPREME COURT – JAPAN AIRLINES – SLP 4102/2009 Converted in Civil Appeal 9875/2013 pending.

Section 194 H – Commission or Brokerage

"Commission or brokerage" defined – includes any payment received or receivable, directly or indirectly, by a person action **on behalf of another person** for services rendered (not being professional services) or for any services in the course of buying or selling of goods or in relation to any transaction relating to any asset, valuable article or thing, not being securities.

"Agency" is understood to be a pre-requisite.

SKOL Breweries Ltd. v ACIT - 29 taxmann.com 111 (Mumbai - Trib.)

"'commission or brokerage' by including any payment received or receivable directly or indirectly by a person acting on behalf of another person - Thus, it is clear that the provisions of section 194H do not require any formal contract of agency.

Later decisions:

Section 194 H – Commission or Brokerage…
Mother Dairy India Ltd. v CIT 358ITR 218 (Del)

Whether relationship between assessee-company (Dairy) and concessionaire, who sold milk and other products of assessee from booths owned by assessee, was principal-to-principal relationship inasmuch as milk and other products became property of concessionaire moment they took delivery of them and they were selling milk and other products in their own right as owners - Held, yes –

- Whether, therefore, difference between MRP and price which concessionaire paid to assessee was his income from business and it could not be categorized as commission within meaning of section 194H - Held, yes [In favour of assessee]

Section 194 H – Commission or Brokerage…

CIT Pune Vs. Intervet India Pvt.Ltd. Income tax appeal no.1616 of 2011

In implementation of the sales promotion schemes, the assessee passed on the incentives to the distributors / dealers / stockists through the consignment agent by way of sale credit notes; Sales promotion expenditure bifurcated under the aforesaid two schemes viz. (i) the product discount scheme and (ii) the product campaign. The assessee contended that the expenditure under the said claims are only for promotion of sales and hence had no relation to payment of any commission on sales.

Sales promotional expenditure in question, the provisions of explanation (i) below Section 194H of the Act are rightly held to be not applicable as the benefit which is availed of by the dealers / stockists of the Assessee is appropriately held to be not a payment of any commission

Section 194 H – Commission or Brokerage…

Tanna Agro Impex Pvt. Ltd Vs Addl. CIT

Income Tax - Sections 40(a)(ia), 194H – Whether when the hedging transactions of commodities are in the nature of derivatives transactions, any TDS obligation arises on brokerage charges paid.

The meaning assigned to the expression 'securities' is, as stated in explanation (iii) to Section 194H, is the same as assigned to it in clause (h) of section 2 of the Securities contracts (Regulations) act, 1956. It is thus clear that ***transactions of derivates are also covered by the scope of expression "securities' for the purpose of tax deduction requirements u/s.194H.*** *The hedging transactions of commodities, if in the nature of derivatives transactions, will, therefore, be outside the ambit of transactions on which TDS requirements come into play.*

Section 194 H – Commission or Brokerage…

Kotak Securities Limited [2012] 18 taxmann.com 48 (Mumbai - Trib.)

IT : Payment of **Bank Guarantee Commission not liable to TDS under section 194H**

• Principal agent relationship is a sine qua non for invoking the provisions of section 194H

•There is no principal agent relationship between the bank issuing the bank guarantee and the assessee; when bank issues the bank guarantee, on behalf of the assessee, all it does is to accept the commitment of making payment of a specified amount, on demand, to the beneficiary, and it is in consideration of this commitment, the bank charges a fees which is customarily termed as 'bank guarantee commission'; while it is termed as 'guarantee commission', it is not in the nature of 'commission' as is understood in common business parlance and in the context of section 194H; this transaction, is not a transaction between principal and agent so as to attract the tax deduction requirements under section 194H

Section 194 H – Commission or Brokerage…

M/s Jet Airways (India) Ltd. v ITO I.T.A. No. 7439, 7440 and 7441/Mum/2010

Commission paid to the credit card companies cannot be considered as falling with in the purview of S.194H. Even though the definition of the term "commission or brokerage" used in the said section is an inclusive definition, it is clear that the liability to make TDS under the said section arises only when a person acts on behalf of another person. In the case of commission retained by the credit card companies however, it cannot be said that the bank acts on behalf of the merchant establishment or that even the merchant establishment conducts the transaction for the bank. The sale made on the basis of a credit card is clearly a transaction of the merchants establishment only and the credit card company only facilitates the electronic payment, for a certain charge. The commission retained by the credit card company is therefore in the nature of normal bank charges and not in the nature of commission/brokerage for acting on behalf of the merchant establishment. Accordingly, concluding that there was no requirement for making TDS on the 'Commission retained by the credit card companies.

[**Fees for professional or technical services.**

194J. (1) Any person, not being an individual or a Hindu undivided family, who is responsible for paying to a resident any sum by way of—

(*a*) fees for professional services, or

(*b*) fees for technical services, or

(*ba*) any remuneration or fees or commission by whatever name called, other than those on which tax is deductible under section 192, to a director of a company, or

(*c*) **royalty**, or

(*d*) any sum referred to in clause (*va*) of section 28,

shall, at the time of credit of such sum to the account of the payee or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct an amount equal to ten per cent of such sum as income-tax on income comprised therein :

Provided that ….

Explanation.—For the purposes of this section,—
(*b*) "fees for technical services" shall have the same meaning as in *Explanation 2* to clause (*vii*) of sub-section (1) of section 9;

Explanation [*2*].—For the purposes of this clause, "fees for technical services" means any consideration (including any lump sum consideration) for the rendering of any managerial, technical or consultancy services (including the provision of services of technical or other personnel) but does not include consideration for any construction[99], assembly, mining or like project undertaken by the recipient[99] or consideration which would be income of the recipient chargeable under the head "Salaries".

(*ba*) "royalty" shall have the same meaning as in *Explanation 2* to clause (*vi*) of sub-section (1) of section 9;

Explanation 2.—For the purposes of this clause, "royalty" means consideration (including any lump sum consideration but excluding any consideration which would be the income of the recipient chargeable under the head "Capital gains") for—

(*i*) the transfer of all or any rights (including the granting of a licence) in respect of a patent, invention, model, design, secret formula or process or trade mark or similar property ;

(*ii*) the imparting of any information concerning the working of, or the use of, a patent, invention, model, design, secret formula or process or trade mark or similar property ;

(*iii*) the use of any patent, invention, model, design, secret formula or process or trade mark or similar property ;

(*iv*) the imparting of any information concerning technical, industrial, commercial or scientific knowledge, experience or skill ;

[93][(*iva*) the use or right to use any industrial, commercial or scientific equipment but not including the amounts referred to in section 44BB;]

(*v*) the transfer of all or any rights (including the granting of a licence) in respect of any copyright, literary, artistic or scientific work including films or video tapes for use in connection with television or tapes for use in connection with radio broadcasting, but not including consideration for the sale, distribution or exhibition of cinematographic films ; or

(*vi*) the rendering of any services in connection with the activities referred to in sub-clauses (*i*) to [93][(*iv*), (*iva*) and](*v*).

Subscription fee to subscribe to a research product sold by assessee, a foreign company, amounted to royalty

CIT v. Wipro Ltd.(2013) 355 ITR 284 (Karn.)(HC)

S.9(1)(vi): Income deemed to accrue or arise in India – Subscription charges – Royalty-Deduction at source-DTAA-India-USA

Payments to foreign publishing house for subscription to web-based foreign publishing house constitute royalty from which tax is deductible at source.(A.Ys. 2001-2002, 2003-2004)

[2013] 37 taxmann.com 16 (Mumbai - Trib.) Gartner Ireland Ltd. *v. ADI*

Section 9(1)(vi) [Royalty] - Assessee, sold subscription to Indian subscribers against access subscription fee - Said fee was claimed to be not taxable in India in absence of any permanent establishment in India - Assessing Officer held same to be in nature of 'Royalty' as per article 12, read with section 9(1)(vi) - Karnataka High Court in CIT (IT) v. Wipro Ltd. [2011] 203 Taxman 621/16 taxmann.com 275 who was, one of customers of assessee, held similar payment as royalty - Whether in view of said decision said sum was rightly treated as royalty - Held, yes [Para 6] [In favour of revenue]

Section 40(a) Amounts not deductible.

Certain payment on which tax is deductible at source under Chapter XVII-B and such tax has not been deducted or, after deduction, has not been paid on or before the due date specified in sub-section (1) of section 139 shall not be allowed as a deduction from income, chargeable under the head Income from Business or profession., subject to certain conditions:

Merilyn Shipping & Transports v. Addl. CIT
136 ITD 23 (Visakhapatnam)(SB)

Provisions of section 40(a)(ia) are applicable only to amounts of expenditure which are payable as on date 31st March of every year and it cannot be invoked to disallow expenditure which has been actually paid during previous year, without deduction of TDS

SECTION 40(a) AMOUNTS NOT DEDUCTIBLE. ..

CIT v Crescent Export Syndicate - [2013] 33 taxmann.com 250 (Calcutta)

Tribunal's Special Bench decision in *Merilyn Shipping & Transports* v. *Addl. CIT* [2012] 136 ITD 23/20 taxmann.com 244 (Vishakhapatnam) overruled

Provisions of section 40(a)(ia) are applicable not only in respect of payments outstanding at end of year but also in respect of payments which have been paid during year without making TDS

Requirement to furnish Permanent Account Number.

206AA. (1) Notwithstanding anything contained in any other provisions of this Act, any person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVIIB (hereafter referred to as deductee) shall furnish his Permanent Account Number to the person responsible for deducting such tax (hereafter referred to as deductor), failing which tax shall be deducted at the higher of the following rates, namely:—

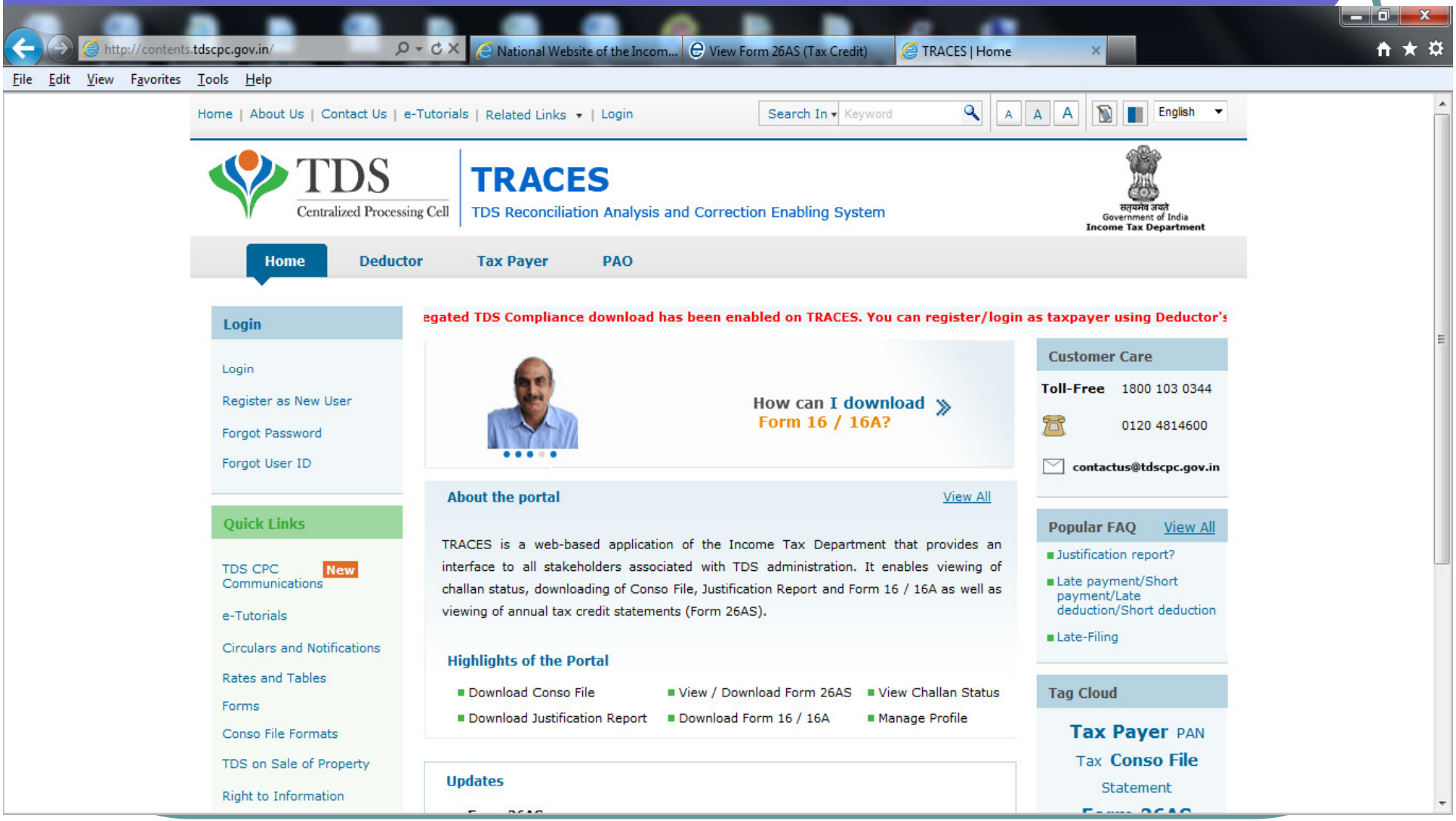
(*i*) at the rate specified in the relevant provision of this Act; or

(*ii*) at the rate or rates in force; or

(*iii*) at the rate of twenty per cent.

45 taxmann.com 385 (Bombay)
HIGH COURT OF BOMBAY
Grasim Industries Ltd. *v.* ACIT
MARCH 11, 2014
Section 199 of the Income-tax Act, 1961 - Deduction of tax at source - Credit for tax deducted (Person entitled to credit) - Assessment years 1990-91 and 1991-92 - Petitioner company entered into technical collaboration agreement with D, a foreign company wherein it was agreed that in addition to consideration, tax liability of D, if any, shall be borne by petitioner company - On order of income-tax authorities, petitioner company deposited TDS on behalf of D - Whether since **TDS was deposited by petitioner company on behalf of D, credit of such refund was only to be given to D - Held, yes**

CONTROVERSIES IN TDS – DTRC - WIRC ICAI – JUNE 2014



Fee for default in furnishing statements.

234E. (1) Without prejudice to the provisions of the Act, where a person fails to deliver or cause to be delivered a statement within the time prescribed in sub-section (3) of section 200 or the proviso to sub-section (3) of section 206C, he shall be liable to pay, by way of fee, a sum of two hundred rupees for every day during which the failure continues.

(2) The amount of fee referred to in sub-section (1) shall not exceed the amount of tax deductible or collectible, as the case may be.

(3) The amount of fee referred to in sub-section (1) shall be paid before delivering or causing to be delivered a statement in accordance with sub-section (3) of section 200 or the proviso to sub-section (3) of section 206C.

(4) The provisions of this section shall apply to a statement referred to in sub-section (3) of section 200 or the proviso to sub-section (3) of section 206C which is to be delivered or caused to be delivered for tax deducted at source or tax collected at source, as the case may be, on or after the 1st day of July, 2012.]

The section has been challenged as unconstitutional in the High Courts of Kerala, Karnataka and Mumbai – The writs have been admitted

The Traces site now shows this as Levy instead of Fee under a separate Column.

Request for updates on the position of the Writs.

Thank you for a patient hearing!