

MUMBAI PORT TRUST
ESTATE DEPARTMENT

No.EM/AS-6/F-310/1270

Date : 22nd May 2012

To,
Lessees / Tenants /Licensees & all concerned under Income Tax Act

This is to inform you that for the Financial Year 2012-13, the rate of Tax Deducted at Source on the rent amount payable by you to Mumbai Port Trust is to be considered same as prescribed in the Finance Act, 2011. However, if any amendments are carried out while passing the Finance Bill 2012, it will be intimated, if applicable. Till then, the TDS applicable for financial year 2012-2013 under Section 194(I) of the Income Tax Act, 1961 is 10% of the gross amount for the use of land or building etc., at the time of credit or payment whichever is earlier, when the aggregate sum credited or paid during the financial year exceeds Rs.1,80,000/-.

2. The amount of tax should be calculated on the gross amount i.e. on the entire amount of rent / compensation and not on the amount in excess of Rs.1,80,000/- and tax deducted at source (TDS) under Section 194(1) of Income Tax Act would be required to be made on the amount of rent paid/ payable without including the Service Tax.

3. If the aggregate amount of rent / compensation receivable from a particular tenant/ lessee/ licensee in respect of all lettings exceeds Rs.1,80,000/- in a financial year, it would be the responsibility of the person making the payment of rent/ compensation, to deduct income tax at source. In such cases, the net amount should be accompanied by the TDS certificates in Form No.16A failing which the amount received will be treated as part payment.

4. The date on which the net amount is received will be taken as the date of receipt for computation of interest on delayed payments even for the amount of tax deducted. It will be the onus of the lessee / tenant / licensee deducting the income tax at source to remit it in time to the Government treasury. If there is any delay on his part, he would be required to pay penalty or face prosecution under the Act by the Income Tax Authorities. In short, the date of receipt of the net amount will be considered as the date of receipt of the gross amount, only where the TDS Certificate in Form No.16A is received.

5. Interest for delayed payment of bills @18% p.a. will be computed taking the date of receipt of the net amount as the base.

6. All tenants/lessees/licensees deducting TDS are requested to forward the TDS certificates in Form No.16A. It shall be necessary for all tenants / lessees / licencees to mention the PAN No., correct plot Code No. & Bill No. against nature of payment with month-wise details of Billed and paid amount for TDS, in the TDS certificate to facilitate proper accounting of such amounts paid by them.

7. The Permanent Account Number of MbPT is AAATM5001D. This may be incorporated in the TDS certificates.

8. Your kind attention is invited to this office circular bearing No.EM/AS-6/F-310/8649 dtd 19.3.2010 and submit your TAN No. at an early date, if not furnished so far, so that the same could be furnished to the Income Tax Department.

Sd/-
(G. Dutta)
ESTATE MANAGER