

ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

O/o the VC & MD Audit Wing
Mushirabad Hyderabad 20

No SA/IT/206C/2003 04

Dt 19 9 2003

To
The COSs of all Zonal Stores
The Dy CAO of all Zones
A P S R T C

Sub INCOME TAX - Tax collection at Source (TCS) on sale of scrap - Regarding

Ref 1 Accounts Circular No 9/2003 dt 10 7 03
2 This Office Lr No even dt 1 9 03 and 16 9 2003

Further to the above on this subject of Tax Collection at Source please find enclosed a copy of the Ordinance enlightening the latest position of the applicability of Sec 206C

The Ordinance comes into effect from 8th Sept 2003 and the rate of Tax to be collected on sale of Scrap is 1% (one percent) only

Sd/ (K Nageswara Rao)

DY CHIEF ACCOUNTS OFFICER (S P & A)

Extracts from

THE TAXATION LAWS (AMENDMENT) ORDINANCE 2003

dated 8th September 2003

Amendment of section 201

- 8 In section 201 of the Income tax Act in sub section (IA) for the words fifteen percent" the words "twelve per cent shall be substituted

Amendment of section 206C

- 9 In section 206C of the Income tax Act (a) in sub section (1) (l) for the Table the following Table shall be substituted namely

| Sl No | Nature of Goods | Percentage |
|-------|---|---------------------------|
| 1 | 2 | 3 |
| (i) | Alcoholic Liquor for human consumption | One per cent |
| (ii) | Tendu Leaves | Five per cent |
| (iii) | Timber obtained under a forest lease | Two and one half per cent |
| (iv) | Timber obtained by any mode other than under a forest lease | Two and one half per cent |
| (v) | Any other forest produce not being timber or tendu leaves | Two and one half per cent |
| (vi) | Scrap | One per cent |

(m) for the proviso below the Table the following proviso shall be substituted namely

Provided that every person being a seller shall at the time during the period beginning on the 1st day of June 2003 and ending on the day immediately preceding the date on which the Taxation laws (Amendment) Ordinance 2003 comes into force of debiting of the amount payable by the buyer to the account of the buyer or of receipt of such amount from the said buyer in cash or by the issue of a cheque or draft or by any other mode whichever is earlier collect from the buyer of any goods of the nature specified in column (2) of the Table as it stood immediately before the 1st day of June 2003 a sum equal to the percentage specified in the corresponding entry on column (3) of the said Table of such amount as income tax in accordance with the provisions of this section as they stood immediately before the 1st day of June 2003

(b) after sub section (i) the following sub sections shall be inserted namely

(IA) Notwithstanding anything contained in sub section (1) no collection of tax shall be made in the case of buyer who is resident in India if such buyer furnishes to the person responsible for collecting tax a declaration in writing in duplicate in the prescribed form and verified in the prescribed manner to the effect that the goods referred to in column (2) of the aforesaid Table are to be utilized for the

purposes of manufacturing processing or producing articles of things and not for trading purposes

(IB) The person responsible for collecting tax under this section shall deliver or cause to be delivered to the chief Commissioner or Commissioner one copy of the declaration referred to in sub section (IA) on or before the seventh day of the month next following the month in which the declaration is furnished to him”

- (c) in sub section (3) for the words “seven day the words the prescribed time shall be substituted
- (d) in sub section (5) for the words ten days from the date of debit” the words such period as may be prescribed from the time of debit shall be substituted
- (e) in sub section (7) for the words one and one fourth per cent the words one per cent shall be substituted
- (f) in the Explanation occurring at the end in clause (a) for sub clauses (i) and (ii) the following sub clauses shall be substituted namely
 - (I) a public sector company the central Government a State Government and an embassy a high commission legation commission consulate and the trade representation of a foreign state and a club or
 - (II) a buyer in the retail sale of such goods purchased by him for personal consumption