



# उत्तराखण्ड पावर कारपोरेशन लि०

(उत्तराखण्ड सरकार का उपक्रम)

## Uttarakhand Power Corporation Ltd.

(A. Govt. of Uttarakhand Undertaking)

CIN : U40109UR2001SGC025867

Email ID: md@upcl.org, Website: www.upcl.org

No. 1448 /UPCL/RM/D-13

Dated: 7-04-2018

### OFFICE MEMORANDUM

1. As per UPCL's O.M. No.-2010/UPCL/UERC/D-13, dated 13-11-2007, interest on security deposits of consumers is admissible to the consumers, through adjustment in their electricity bills in the following financial year latest by 30<sup>th</sup> June or through adjustment towards the shortage of security deposit. In case the consumer is permanently disconnected before the end of the financial year, the interest on security deposit is to be adjusted in the final bill of the consumer upto the issue of such bill. As per UPCL's O.M. No. 1445/UPCL/RM/D-13, dated 3-04-2017 and No. 1303 /UPCL/RM/D-13, dated 03-04-2018 interest on security deposits is admissible @ 6.75% p.a. for FY 2017-18 and 6.25% p.a. for FY 2018-19.
2. As per section-194A of the Income Tax Act, 1961, deduction of Tax at Source should be made at the time of credit of such income to the account of payee or interest payable account or suspense account or at the time of payment thereof, in cash or by issue of cheque or draft or by any other mode, whichever is earlier. The Executive Engineers of concerned Electricity Distribution Divisions are responsible to make such deduction of Tax from interest on security deposits and to deposit the same with the income tax authorities within the prescribed time limits.
3. The following are the cases where deduction of tax shall not be made at the time of credit of such income or payment thereof :-
  - (i) Where the aggregate amount of interest credited or paid during the financial year does not exceed Rs. 5,000.00.
  - (ii) Where interest is credited or paid to any banking company, Co-operative Society engaged in banking business, public finance institutions, the Life Insurance Corporation, the Unit Trust of India, a company or a co-operative society carrying on business of insurance, or notified institutions.
  - (iii) Where the interest is credited or paid to the Central Government, State Government, Reserve Bank of India or the Corporation which is exempt from Income Tax on his income.

4. When a certificate is issued by Assessing Officer of Income Tax Department in favour of the payee consumer to the effect that no deduction should be made from the interest, no deduction of tax shall be made in such cases. Further, when a certificate is issued by Assessing Officer of Income Tax Department in favour of the payee consumer to the effect that deduction shall be made at lower rates, deduction shall be made at this lower rate in such cases.
5. The following are the rates of deduction of income tax at source from interest on security deposits by the consumers :-
  - (i) Rate of deduction of tax at source is 10% (no surcharge, education cess etc.) in the cases where Permanent Account Number (PAN) is furnished by the payee consumer to the person responsible for deduction of tax at source.
  - (ii) Rate of deduction of tax at source is 20% (no surcharge, education cess etc.) in the cases where PAN is not furnished by the payee consumer to the person responsible for deduction of tax at source.
6. The Executive Engineers of the concerned Distribution Divisions will ensure to timely submit the requirement of funds to be deposited with the income tax authorities towards tax deducted by them on this account.
7. The Executive Engineers of the Distribution Divisions shall strictly comply with the provisions of Income Tax Act, 1961 in respect of interest on security deposits. Executive Engineer - Commercial (KCC/R-APDRP : Part-A) will ensure to make necessary changes in the billing software in respect of deduction of tax from interest on security deposits and issue necessary instructions in this regard to Executive Engineers of the Distribution Divisions.

  
 (B.C.K. Mishra)  
 Managing Director

No. 1448 / UPCL/RM/D-13 Of dated

Copy forwarded to the following for information and necessary action:

1. Chief Engineer (Distribution), Garhwal Zone/Haridwar Zone/ Kumaon Zone/Udhamsingh Nagar Zone, Dehradun/ Haridwar/ Haldwani/ Rudrapur .
2. Chief Engineer (R-APDRP/Planning), UPCL.
3. General Manager (CS & Legal), UPCL.
4. All General Managers (Finance/Internal Audit/HR), UPCL, VCV Gabar Singh Urja Bhawan, Dehradun.
5. Superintendent of Police, Vigilance Cell, UPCL.
6. All Superintending Engineers (Distribution/Information Technology/R-APDRP), UPCL.
7. All Executive Engineers (Distribution / Test / CBSC/KCC), UPCL.
8. Office of CGRF, Garhwal Zone/Haridwar Zone/ Kumaon Zone/Udhamsingh Nagar Zone / Srinagar Circle, Dehradun/ Haridwar/ Haldwani/ Rudrapur/ Srinagar

  
 (S.K. Tamta)

Chief Engineer(Commercial)

C.C.: Director(Finance/Operations/Projects/Human Resources), UPCL