

Prasar Bharati
(India's Public Service Broadcaster)
(Tax Section)
6th Floor, Prasar Bharati House
Copernicus Marg, New Delhi- 110001

No. PB-7(15) (1)/2012-Fin/2261-70

Dated 11.12.2018

Sub: Deduction of Income tax (TDS) by clients, banks and others –reg.

Ref: 1. This office letter of even number dated 06.03.2018
2. Circular No. 18/2017 dated 29th May, 2017 issued by CBDT, Deptt. of Revenue, Ministry of Finance, Govt. of India (copy enclosed)

Please refer to the office letter under reference no. 1 through which it was requested that it should be ensured that no income tax TDS is deducted by any person including banks from any sum payable to Prasar Bharati in the light of provisions contained in section 10(23BBH) and section 196 of Income Tax Act, 1961.

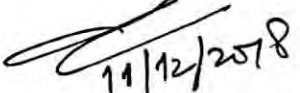
However, it has been observed in the Receipts and Payments Accounts and statement of 26AS that banks and customers/third parties are still deducting income tax TDS while making payment of interest or against invoices issued by Prasar Bharati.

In this connection, it is stated that Central Board of Direct Taxes vide Circular under reference no.2 has given the list of *funds or authorities or Boards or bodies, by whatever name called, referred to in section 10 of the Income tax Act, whose income is unconditionally exempt under that section who are also statutorily not required to file return of income as per section 139 of the Income-tax Act, there would be no requirement for tax deduction at source, since their income is anyway exempt under the Income-tax Act.* In this list, the name of Prasar Bharati is also mentioned at sl. no. (ix).

In case, any client/ bank or other party is insisting on deducting income tax TDS then the concerned unit may provide copy of circular under reference no.2 issued by CBDT to that client/ bank or other party and ensure that no income tax TDS is deducted on any sum payable to Prasar Bharati by them.

It is requested that both the directorates may instruct to all concerned to take necessary steps for ensuring non-deduction of income tax TDS by banks, customers and third parties while making any payment to Prasar Bharati.

Encls: a.a.


11/12/2018
(C.K Jain)
DDG (Fin.)

1. DG: Doordarshan
2. DG: AIR

Copy for information to:

1. PS to Member (Fin.), Prasar Bharati.
2. ADG (B&A), Prasar Bharati Secretariat.

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3. ADG (Fin), AIR/ DD.
4. ADG (Comm.), AIR & DD.
5. DDG, AIR Resources, AIR.
6. ✓ DDG(Tech) with the request to upload this letter on PB website.
7. Director (Admin) Prasar Bharati Secretariat.
8. Heads of Offices of All field units of Prasar Bharati.
9. All PAOs, AIR/ DD, New Delhi.

CIRCULAR No. 18 /2017

F. No. 385/01/2015-IT (B)
Government of India/ भारत सरकार
Ministry of Finance/ वित्त मंत्रालय
Department of Revenue/(राजस्व विभाग)
Central Board of Direct Taxes/(केन्द्रीय प्रत्यक्ष कर बोर्ड)

North Block, New Delhi
29th May, 2017

Subject: Requirement of tax deduction at source in case of entities whose income is exempted under Section 10 of the Income-tax Act, 1961 - Exemption thereof.

The Central Board of Direct Taxes (the Board) had earlier issued Circular No. 4/2002 dated 16.07.2002 and Circular No. 7/2015 dated 23.04.2015 which laid down that in case of such entities, whose income is unconditionally exempt under Section 10 of the Income-tax Act (the Act) and who are also statutorily not required to file return of income as per Section 139 of the Act, there would be no requirement for tax deduction at source (TDS) from the payments made to them since their income is anyway exempted from tax under the Act. The issue of whether exemption from TDS can be extended to more entities on these principles and whether the exemption is needed to be withdrawn in respect of some of the exempted entities was examined by the Board.

2. Examination of the eligibility of entities for exemption from TDS on the principle of unconditional exemption and no requirement to file return revealed that Circulars No. 4/2002 and 7/2015 are required to be updated to make the following changes:

- Entities that meet both the above mentioned conditions but are not mentioned in the aforesaid Circulars need to be included in the list of exempted entities.
- Entities that are mentioned in Circular No. 4/2002 but their exemption from income tax has since been withdrawn need to be removed from the list of exempted entities.
- Entities that are mentioned in Circular No. 4/2002 but because of subsequent amendment they are now required to mandatorily file their returns of income u/s 139 need to be removed from the list of exempted entities.

3. In view of the above, a revised list of entities exempted from TDS has been drawn by adding entities in the first category listed above to the entities mentioned in Circular No. 4/2002 and Circular No. 7/2015 and removing entities in second and third categories from the list of existing entities eligible for exemption from TDS.

4. Accordingly, it has been decided that in case of below mentioned funds or authorities or Boards or bodies, by whatever name called, referred to in section 10 of the Income-tax Act, whose income is unconditionally exempt under that section and who are also statutorily not required to file return of income as per section 139 of the Income-tax Act. there would be no

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requirement for tax deduction at source, since their income is anyway exempt under the Income-tax Act -

- (i) "local authority", as referred to in the *Explanation* to clause (20);
- (ii) Regimental Fund or Non-public Fund established by the armed forces of the Union referred to in clause (23AA);
- (iii) Fund, by whatever name called, set up by the Life Insurance Corporation of India on or after 1st August, 1996, or by any other insurer referred to in clause (23AAB);
- (iv) Authority (whether known as the Khadi and Village Industries Board or by any other name) referred to in clause (23BB);
- (v) Body or authority referred to in clause (23BBA);
- (vi) SAARC Fund for Regional Projects set up by Colombo Declaration referred to in clause (23BBC);
- (vii) Insurance Regulatory and Development Authority referred to in clause (23BBE);
- (viii) Central Electricity Regulatory Commission referred to in clause (23BBG);
- (ix) Prasar Bharati referred to in clause (23BBH);
- (x) Prime Minister's National Relief Fund referred to in sub-clause (i), Prime Minister's Fund (Promotion of Folk Art) referred to in sub-clause (ii), Prime Minister's Aid to Students Fund referred to in sub-clause (iii), National Foundation for Communal Harmony referred to in sub-clause (iiia), Swachh Bharat Kosh referred to in sub-clause (iiiaa), Clean Ganga Fund referred to in sub-clause (iiiaaa) of clause (23C);
- (xi) Provident fund to which the Provident Funds Act, 1925 (19 of 1925) referred to in sub-clause (i), recognized provident fund referred to in sub-clause (ii), approved superannuation funds referred to in sub-clause (iii), approved gratuity fund referred to in sub-clause (iv) and funds referred to in sub-clause (v) of clause (25);
- (xii) Employees' State Insurance Fund referred to in clause (25A);
- (xiii) Agricultural Produce Marketing Committee referred to in clause (26AAB);
- (xiv) Corporation, body, institution or association established for promoting interests of members of Scheduled Castes or Scheduled Tribes or backward classes referred to in clause (26B);

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- (xv) Corporation established for promoting interests of members of a minority community referred to in clause (26BB);
- (xvi) Corporation established for welfare and economic upliftment of ex-servicemen referred to in clause (26BBB);
- (xvii) New Pension System Trust referred to in clause (44).

4. This circular supersedes earlier Circulars on this issue e.g. Circular No. 4/2002 dated 16.07.2002 and Circular No. 7/2015 dated 23.04.2015 with effect from the date of issue of this Circular.

5. Hindi version shall follow.



(Sandeep Singh)

Under Secretary to the Govt. of India

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1. Chairman, Members and all other officers of the Central Board of Direct Taxes.
2. Pr. CCIT/ Pr. DGIT/ CCIT/ DGIT with a request to circulate the same amongst all officers in their Region / Charge.
3. Commissioner (Media & Technical Policy) and Official Spokesperson, CBDT.
4. Addl. Director General of Income-tax (PR, PP & OL)
5. Office of Comptroller & Auditor General of India.
6. ADG (Systems)-IV for uploading on the Departmental website.
7. Database Cell for uploading on the IRS Officers website.
8. Guard File.

PRASAR BHARATI
 (India's Public Service Broadcaster)
 Prasar Bharati Secretariat
 (Taxation Section)
 6th Floor, Prasar Bharati House,
 Tower-C, Mandi House Complex
 Copernicus Marg, New Delhi-110 001



No. PB-7(15)/2012-Fin/IT/ 1721-79

Dated 06.03.2018

Sub: Exemption to Prasar Bharati (Broadcasting Corporation of India) from Income Tax

Ref: This office letters of even number dated 19.11.2012, 25.02.2013 and 31.03.2016

Please refer to this office letters under reference through which it was communicated that a new clause 23BBH in Section 10 of Income Tax Act, 1961 has been inserted, through Finance Act, 2012 (Provisions relating to Direct Taxes) which entails specific exemption from Income Tax to Prasar Bharati. As per Section 10(23BBH) of Income Tax Act, 1961, any income of Prasar Bharati (Broadcasting Corporation of India) established under sub-section (1) of section 3 of the Prasar Bharati (Broadcasting Corporation of India) Act, 1990 (25 of 1990) is exempt from income tax. It was also informed that as per section 196 of Income tax Act, no TDS shall be deducted by any person while making payment to certain categories of entities and Prasar Bharati also falls in this category.

However, it has been observed in the Statement 26AS that the banks and customers/ third parties are still deducting TDS while making payment of interest or against invoices issued by Prasar Bharati or on any other account. As per 26AS for the financial year 2016-17, total amount of TDS deducted is Rs.1,35,95,143 [i.e. Banks - Rs.70,72,209 + other than banks - Rs.65,22,934]. Similarly, the TDS is being deducted in current financial year too. Due to deduction of undue income tax by other persons, the management of funds of Prasar Bharati is being affected.

For ensuring non deduction of TDS by customers, both the directorates may mention the following phrase on all invoices issued by any unit of AIR/ DD for outward supply:

"Since Prasar Bharati is covered under section 196 of Income Tax Act and its income is exempt from income tax u/s 10(23BBH) of I.T. Act, no TDS needs to be deducted while making payment by your organisation against this invoice."

DDG (DCS)
 for n/a / estimate field office
 for compliance
 Addl. Secy
 निगम
 महानिदेशक
 (Commercial)

AIG (DCS)
 For your pt.
 दीपक आर्य
 अपर महानिदेशक (विप)
 9/3/18

Dy. N
 149
 13/3/18

For ensuring non deduction of TDS by banks, the higher authorities of the bank branches may be approached with the copy of the aforesaid ruling under Income Tax Act, 1961.

It is once again reiterated that it should be ensured that no TDS shall be deducted from the sums payable to Prasar Bharati by any person including banks in the light of provisions of Section 10(23BBH) and Section 196 of Income Tax Act, 1961. The extracts of Section 10(23BBH) and section 196 are enclosed for your reference.

It is requested that both the directorates may instruct to all concerned to take necessary steps for ensuring non-deduction of TDS by banks, customers and third parties while any making payment to Prasar Bharati.

Encls: a.a.

6/3/2018
(C.K. Jain)
DDG (Fin)

1. **✓ DG: Doordarshan**
2. **DG: AIR**

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