

Government of West Bengal
Directorate of Health Services
(Audit, Accounts & Verification Branch)
Swasthya Bhawan, Block GN 29, Sector-V
Salt Lake, Kolkata-700091

Memo No.HAV 7M-72-08/Pt. I/812(70)

Date-27.01.09

From: The Additional Director of Health Services(A.A. & V.),
Swasthya Bhawan, Block GN 29, Sector-V
Salt Lake, Kolkata-700091

To: 1)The Director/Principal.

2)The M.S.V.P.,

3)The C.M.O.II.,

4)The Secretary.

5)The Superintendent.

Sub.: Government Circular

I am directed to send herewith the following Government circular as detailed below for your information & necessary action:

No. & date	Issuing Deptt.	In the matter of
233-Power/Cell-II/1R-16/2008 dt. 17.12.08	Department of Power & Non-Conventional Energy Sources, New Secretariat Buildings, Kol. WB	Maintainable Security Deposit

Copy of the above circular may kindly be circulated to all the sub-ordinate offices under his/her control wherever necessary.

Encl.: As stated

**Addl. Director of Health Services,
(A.A. & V.), W.B.**

Government of West Bengal
Department of Power and Non-conventional Energy Sources
New Secretariat Buildings
7th Floor, Block "A"
1, K.S. Roy Road, Kolkata-700001

No. 233-Power/Cell-II/1R-16/2008 Dated Kolkata, the 17th December, 2008

To
The Special Secretary (MS),
Health & Family Welfare Department
Swasthya Bhavan, Bidhannagar,
Kolkata- 700091.

Sub:- Maintainable Security Deposit by Govt. Hospitals with CESC
Ref:- H& FW Deptt's file no. HAV/7M-72-08

Sir,

In reference to the above, I am directed to inform you that as per clause 4 of West Bengal Electricity Regulatory Commission (Miscellaneous Provisions) Regulation, 2005 (Copy enclosed for ready reference) the distribution licensee may require any person to furnish as security deposit with such licensee, an amount covering 3 months of estimated bills of consumption of electricity at the prevailing rates and in view of the specific nature of the regulation, there is little scope of any intervention by this Deptt. so as to exempt any Govt. Hospital (South Howrah State General Hospital in the instant case) from payment of security deposit.

However, the consumer may approach the WBERC directly, on their own, for any redressal, if possible, under clause 5 of the said regulation.

Yours faithfully,

sdf

OSD & EX-officio Deputy Secretary

No. 233/1(3)-Power/Cell-II/1R-16/200 Dated Kolkata, the 17th December, 2008

Copy forwarded for information and taking necessary action to:-

- 1) The Additional Director of Health Services (AA&V), Directorate of Health Services, Swasthya Bhavan, Bidhannagar, Kolkata-700091.
- 2) The Chief Medical Officer, Howrah.
- 3) The Superintendent, South Howrah State General Hospital, College Ghat Road, Shibpore, Howrah.

P. Sengupta

OSD & EX-officio Deputy Secretary

P.T.O.

**Government of West Bengal
Directorate of Health Services
(Audit, Accounts & Verification Branch)
Swasthya Bhawan, Block GN 29, Sector-V
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From : The Additional Director of Health Services(A.A. & V.),
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To : 1)The Director/Principal,

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3)The C.M.O.II.,

4)The Secretary.

5)The Superintendent.

Sub.: Government Circular

I am directed to send herewith the following Government circular as detailed below for your information & necessary action:

No. & date	Issuing Deptt.	In the matter of
CIT(TDS)/Kol/2008-09/5015 dt. 20.03.09	Ministry of Finance, Department of Revenue, Commissioner of Income Tax(TDS), Kol	Tax Deduction at source in respect of State Govt. payments

Copies of the above circular may kindly be circulated to all the sub-ordinate offices under his/her control wherever necessary.

Encl.: As stated



**Addl. Director of Health Services,
(A.A. & V.), W.B.**

भारत सरकार
वित्त मंत्रालय
राजस्व विभाग
आयकर आसुक्त (टी.डी.एस)
10बी, मिडलटन रो, 7वां तल,
कोलकाता-700 071
दुरभाष : 2217-7046, 2229-8857 फेक्स

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
COMMISSIONER OF INCOME TAX (TDS)
10 B, MIDDLETON ROW, 7TH FLOOR,
KOLKATA-700 071
PHONE : 2217-7046, 2229-8857 (FAX)

ANKAJ VIDYARTHI, I.R.S.

अज विद्यार्थी, भा०रा०से०

No. CIT(TDS)/Kol/2008-09/ 5015

Dated : 20/03/2009

To
The Principal Secretary, (Finance)
Govt. of West Bengal,
Writers Building,
Kolkata.

Sub : Tax Deduction at Source in respect of State Govt. Payments-

Sir,

It has been observed by the Income Tax Department, Ministry of Finance that the Tax deducted/collected at source under the different provisions of the Income Tax, Act and subsequent deposit to the Govt. Account is not commensurate with the budget estimates of the State Government. It is felt that the bill drawing and accounts officers need to familiarize themselves of the provisions of the Income Tax Act and associated responsibilities specially about getting the TAN allotted and e-filing of TDS returns. Complexity of legal provisions may also stand in the way of correct appreciation of the nature of transaction resulting in non-deduction / collection of taxes in cases where deduction / collection is warranted.

2. In view of the above, following points may be brought to the notice of the field formations for clarification of such doubts and to facilitate improved compliance of legal requirements.

a) The Income Tax Act has entrusted the Drawing and Disbursing Officers (as per Chapter XVII B) :

- Deduct Tax at Source at the time of payment ;
- Adjust tax so deducted in Government account through book entry ;
- Issue TDS certificates to the deductees ;
- File quarterly statements within specified times.

b) Some other relevant provisions are :

- All persons deducting or collecting tax at source are required to apply for and obtain a Tax Deduction and Collection Account Number (TAN) and to quote the same on TDS/TCS returns, certificates and related documents (Sec. 203A).
- A penalty of Rs.10,000/- has been specified for failure to obtain TAN, for non-quoting of TAN or for quoting wrong TAN (Sec. 272BB).
- Quoting Permanent Account Number (PAN) of the person in whose respect tax has been deducted is mandatory for the government deductors under Section 139A (5B). Similarly, it is also mandatory for the individuals in whose respect tax is being deducted to intimate their PAN to the Government deductor under Section 139A(5A).
- Any failure in compliance with provisions of Section 139A may attract a penalty of Rs.10,000/- (Section 272B).

c) A detailed examination of the issue has brought forth the following :

- There is lack of awareness among bill drawing and accounts officers about the various transactions on which TDS is deductible:
- Section 194C of I.T. Act required TDS on payments exceeding Rs.20,000/- for executing work. The provisions of Section 194C shall apply to all types of contracts for carrying out any work including transport contracts, service contracts, advertisement contracts, broadcasting contracts, telecasting contracts, labour contracts, material contracts and work contracts.
- It is seen that many times TDS is not made on outsourcing contracts on the plea that these are contracts of sale. In case of payment to suppliers, CBDT has clarified that though TDS is not applicable on contracts of sale of goods, but the same is applicable on all composite work contracts, service contracts, maintenance contract, transport contract, material contracts, stores contracts, turnkey contracts and material contracts where the dominant or main intent of the agreement is not purchase of material but getting work done.

- Further, in cases where specific plant and machinery, equipments etc. are deployed under time contract for rendering services, it would not be a contract for service but that of letting out of the plant and machinery, equipments etc. and hence, TDS would be deductible u/s. 194I and not u/s. 194C.
- TCS on various receipts, including from auction of scrap, contracts for parking lots etc. is required to be collected and deposited.
- All payments made to foreign firms/non-residents are liable to withholding tax under section 195 of I.T. Act. All agencies entering into such contracts need to take cognizance of this fact while finalizing contracts.
- In case of payment of arrears as per the recommendation of the Pay Commission tax deduction at source is to be made applying correct rate.

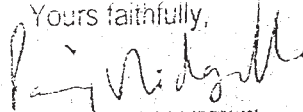
It has also been observed by the Department that some of the Accounts Officers are yet to obtain Tax Deduction Account Numbers while some others are not filing the quarterly TDS returns. This will make it difficult for the deductees concerned to get credit for TDS deducted from current financial year onwards.

4. It is, therefore, desirable to assess the compliance of I.T. Act provisions by the West Bengal Govt. offices and ensure that all functionaries discharging disbursal functions immediately get registered and obtain TAN as well as start the process of filing e-returns, if not already done, in a time bound manner. In case any doubt exists about the role of bill drawing and disbursing offices for TDS related functions, the same may be immediately identified.

5. Officers of this directorate have already started interacting with the disbursing officers of the State Government at District levels with the help of the District Authorities / Treasury Officers and a number of seminars have been organized in different districts of the State. This office is interested to hold more such seminars in the coming financial year with your cooperation. If the proposal to hold seminars is found to be feasible by your good office, a detailed programme of action may be drawn in consultation with the officers of the Directorate.

6. A small booklet was published by this directorate for the benefit of the deductors relevant to F.Y. 2008-09. A copy of the same is enclosed for your perusal.

Yours faithfully,


(PANKAJ VIDYARTHI)

Commissioner of Income-tax, (TDS),
Kolkata

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