



कलकत्ता पत्तन न्यास
CALCUTTA PORT TRUST
हल्दिया गोदी परिसर
HALDIA DOCK COMPLEX

कोड ३८-१४००४/जी ४/ Code 38-140004/G 4
टेलीफोन ०६४५-२०८ फेक्स ०३२२४-६३९५२ ग्राम : हलडॉक
जवाहर टावर ई पी ए वी एक्स ६३९००, ६३९५९
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Jawahar Tower EPABX 63100, 63151
Gram : HALDOCK

Finance Division's Office,
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संख्या / No

FD-8837/389 /HR

दिनांक / Date

May, 20 2008

NOTICE

SUB: APPLICABLE RATE OF DEDUCTING INCOME TAX AT SOURCE FROM PAYMENTS MADE TO KOLKATA PORT TRUST, HALDIA DOCK COMPLEX DURING THE FINANCIAL YEAR 2008-09.

All our valued customers deducting tax are hereby requested to note the applicable rate of deduction of income tax at source pertaining to financial year 2008-09, the details of which are furnished hereunder:

- i) Contractual payment u/s 194C – **2.06%**
- ii) Rent payments u/s 194I – **20.60%**.

Please note that since Kolkata Port Trust is a **Local Authority**, Surcharge is **NOT** applicable on the basic rate of tax payable.

It may please be further noted that in terms of **C.B.D.T Circular No.4/2008, dated 28.04.2008**, tax u/s 194I of the Income Tax Act would be required to be deducted on the amount of rent paid/payable **without including the service tax.**

The above is for strict compliance for all port users deducting / intending to deduct tax while making contractual and/or rent related payment to HDC during the financial year 2008-09. Further, all payment made after deduction of TDS shall have to be mandatorily supported by a declaration giving details of tax actually deducted there from.

(Abhijit Gupta)
Asstt. Manager (Finance),
For Manager (Finance)



Kolkata Port Trust

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Finance Department

No. Fin/589A/B

January 2, 2008

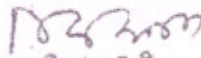
CIRCULAR

Kolkata Port Trust is a Local Authority as per the provisions of the General Clauses Act, 1897. In terms of the Income Tax Act, Kolkata Port Trust is assessed as Local Authority as it would be evident from the Assessment Order of the Kolkata Port Trust for the Assessment Year 2006-07.

In terms of the Section 2 and First Schedule of the Finance Act, 2007, Local Authority is not liable to pay Surcharge on Income Tax and the copy of the same is enclosed for ready reference.

Accordingly, it is informed to all concerned who are deducting Tax at Source, no Surcharge on TDS shall be deducted while making payment to Kolkata Port Trust, in terms of the Finance Act, 2007 i.e. Financial Year 2007-08 (Assessment Year 2008-09). This is to be followed in strict compliance.

Encl: As stated


2.1.08

(N. K. Ghosh)
Financial Adviser &
Chief Accounts Officer

Copy to All Heads of Departments of Kolkata Port Trust: This is for information and necessary action please.

Copy to General Manager (M&S), Haldia Dock Complex: This is for information and necessary action please.

Clarification on deduction of tax at source (TDS) on service tax component on rental income under section 194-I of the Income-tax Act

CIRCULAR NO. 4/2008, DATED 28-4-2008

Representations/letters have been received in the Board seeking clarification as to whether TDS provisions under section 194-I of the Income-tax Act will be applicable on the gross rental amount payable (inclusive of service tax) or net rental amount payable (exclusive of service tax).

2. The matter has been examined by the Board. As per the provisions of 194-I, tax is deductible at source on income by way rent paid to any resident. Further rent has been defined in 194-I as

“rent” means any payment, by whatever name called, under any lease, sub-lease, tenancy or any other agreement or arrangement for the use of (either separately or together) any,-

(a) land; or

(b) building (including factory building); or

(c) land appurtenant to a building (including factory building); or

(d) machinery; or

(e) plant; or

(f) equipment; or

(g) furniture; or

(h) fittings,

whether or not any or all of the above are owned by the payee;

3. Service tax paid by the tenant doesn't partake the nature of "income" of the landlord. The landlord only acts as a collecting agency for Government for collection of service tax. Therefore it has been decided that tax deduction at source (TDS) under sections 194-I of Income-tax Act would be required to be made on the amount of rent paid/payable without including the service tax.

4. These instructions may be brought to the notice of all officers working in your region for strict compliance.

5. These instructions should also be brought to the notice of the officers responsible for conducting internal audit and adherence to these should be checked by the auditing parties.

[F.No.275/73/2007-IT(B)]