

2028
Dy. No. /PS/CE(MM)
Dated..... 16/11/12

OFFICE OF EXCISE AND TAXATION COMMISSIONER, PATIALA.

To

- 1 All Principal Secretaries/Financial Commissioners of State
- 2 All Administrative Secretaries.
- 3 Heads of all Departments
- 4 Heads/Commissioners of all Urban Development Authorities/Improvement Trust/Municipal Corporations/Municipal Councils/Nagar Panchayats
- 5 MD. PIDS
- 6 MD. PWSSB
- 7 MD PSPCL *Engr. K. D. Chauthary Chairman Com MD*
- 8 Secretary, PWD/Public Health/Mandi Board
- 9 JMD. PMIDC
- 10 CMD. Punjab Police Housing Corporation Ltd.

*5384/PS/CMD
27/11/12*

*cmd
Dir/Fin
28/11
P.S.A.
F.A.
5/12/12
M.A. - Ben*

No. DETC(VAT)-2012/ 5235 dated 16/11/12

Subject - Circular regarding TDS on works contracts and its deposit under the Punjab VAT Act. 2005.

MEMORANDUM

Kindly find enclosed circular No. VAT-1-2012/TD/ 01 Dated

9.11.2012 containing guidelines regarding TDS on works contracts and its deposit under the Punjab VAT Act. 2005. The circular has been issued by Excise and Taxation Commissioner, Punjab vide order dated 9-11-2012 and is for your kind perusal and necessary action.

C.D.
Dy. Excise and Taxation Commissioner(VAT),
For Excise and Taxation Commissioner, Punjab.

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Copy is forwarded to Sh. Varun Alhuwalia I.A.&A.S. Deputy Accountant General (S.R.A.) office of Primary Accountant General (Audit) Punjab Sector 17-E. Chandigarh

ਦਫਤਰ ਡਾਇਰੈਕਟਰ/ਵਿੱਤ,
ਪੰ.ਰਾ.ਪ.ਕਾ.ਲਿਮ., ਪਟਿਆਲਾ
ਡਾਇਰੀ ਨੰ. 1343 ਮਿਤੀ 4/12/12

Diary No. 2299
S.R.A.
Dated..... 5/12/12

*FR
CE/PS
AOL for audit*
It relates to CE/MM as the VAT is big
dealt with by the office. *5/12/12*

Punjab circular – Works contract – TDS Deposit guidelines

Circular no. 01 /VAT-1/2012/TD/

Dated: 9-11-2012

1. The tentative draft paragraph titled "Taxation on works contracts under PVAT" intended for inclusion in Comptroller & Auditor General of India Audit report (Revenue Receipts) of Punjab government for year 2011-12 has highlighted the deficiencies in compliance to provisions of Punjab VAT Act, 2005 by various Departments of State government.
2. This circular is being issued to reiterate the legal obligations enshrined under Punjab VAT, 2005 on Departments of State government which are getting works contract executed from different contractors in the state.
3. The Departments have to comply with provisions of Punjab VAT Act 2005 & Rules framed thereunder, particularly with regard to provisions of Sec 27, Rule 46 and Forms VAT-25, VAT-26, VAT-27 & VAT-28 which have been detailed as below.
 - (a) The Departments must furnish information about each contract which is Rs 5.00 lac or above in Form VAT-25 to the Excise & Taxation Department along with copy of contract within 30 days from entering into such contract.
 - (b) The Departments must apply for Tax Deduction Number (TDN) to the Excise & Taxation Department in Form VAT-26 & deduct TDS from contractor.
 - (c) The TDS deducted from the contractor has to be deposited by the Department within 15 days from close of each month in government treasury. The TDS must be deposited in correct head of account (0040).
 - (d) Further, each department must file monthly returns in Form-27 to the designated officers of Department of Excise & Taxation

regarding payment of each works contract being executed for them by the contractor.

- (e) All departments must ensure that any contractor applying for any government contract of more than Rs 5.0 Lakhs for single work must have VAT Registration Number (TIN) issued by Department of Excise & Taxation.
- (f) All departments must mention in the notice inviting tenders that only those contractors having VAT Registration Number (TIN) are eligible to participate in the tender process.
- (g) If the Departments of state government are supplying any material to the contractor, they must get VAT registration No (TIN) from Excise & Taxation department & issue VAT invoices to contractors
- (h) The Departments handling construction work may appoint a nodal officer for coordinating with Excise & Taxation department through Director (Excise & Taxation) (9872910004, additionalexcise@yahoo.com) for proper realization of VAT.

Chandigarh

Dated : 09-11-2012

A.Venu Prasad
Excise & Taxation Commissioner, Punjab