

**GOVERNMENT OF ODISHA
FINANCE DEPARTMENT**

No. 19933 /F, dated 17.7.2015
FIN-WMA-ACCT-0001/2012

From

**Shri R.Balakrishnan,I.A.S.
Additional Chief Secretary to Govt.**

To

**The Additional Chief Secretaries
All Principal Secretaries/Secretaries to Government
All Heads of Department/All Collectors**

Sub: **Tax Deduction at Source on the Interest Accrued in the
Government Accounts.**

Sir/Madam,

I am directed to say that in Finance Department letter No. 35425(42)/F., dated 12.10.2012, the implementing agencies at State level, district & sub-district level were advised to keep the funds of Centrally Sponsored Schemes(CSS) in Flexi Accounts instead of Savings Bank Account, so that higher interest accruals from the scheme funds can be ploughed back to expand the coverage of the scheme without affecting the fund flow for the schemes.

2. Guidelines for the Centrally Sponsored Schemes implemented through State level, District level & Sub-District level Implementing Agencies provide for keeping scheme funds in a dedicated Bank Account.

3. It has come to the notice of Finance Department that some Banks are insisting on submission of certificate for exemption for Tax Deduction at Source (TDS) @ 20% on the Interest Accrued in the savifix/flexi Accounts. In this connection, it is clarified as follows for guidance of all concerned.

i) In terms of the provisions of Article 289 (1) of the Constitution of India, the Property & Income of a State shall be exempt from Union Taxation. In view of this interest accrued in the savifix/flexi Accounts operated by any Drawing & Disbursing Officers(DDOs) of the State Government is exempt from levy of Income Tax. The same may be brought to the notice of the concerned banks.

ii) There is a legal framework for grant of exemption from Income Tax to a public charitable trust, a company registered under section 25 of the

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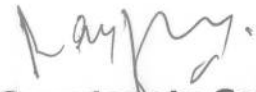


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Companies Act, or a Society registered under the Societies Registration Act, 1860 which is outlined in Section 2(15),2(24)(iia),10,11,12,12A,12AA ,13, 35(1)(i) and 35 (i)(iii) of the Income Tax Act, 1961. Such entities would not be granted exemption from Income Tax unless they apply for registration to the Commissioner of Income Tax. The implementing agencies like DRDAs etc keeping various scheme funds in Banks are required to apply for registration with the Commissioner of Income Tax in Form No.10A (copy enclosed).

These instructions may be circulated among the DDOs and all the implementing agencies of State Government and Centrally Sponsored Schemes.

Yours faithfully,



Additional Chief Secretary to Govt.

Memo No. 19934 /F. dated 17.7.2015

Copy forwarded to the Private Secretaries to Chief Secretary/D.C.-cum-Additional Chief Secretary/Agriculture Production Commissioner/ Additional Chief Secretary, Finance Department for kind information of Chief Secretary/D.C.-cum-Additional Chief Secretary/Agriculture Production Commissioner/ Additional Chief Secretary, Finance Department.

Ag. 17.07.2015

Under Secretary to Government

Memo No. 19935 /F. dated 17.7.2015

Copy forwarded to the Registrar, Odisha High Court / Special Secretary, Odisha Public Service Commission / Secretary, Odisha State Election Commission / Secretary, Staff Selection Commission / Secretary, Subordinate Staff Selection Commission/Registrar, Odisha Administrative Tribunal/ Secretary, State Human Rights Commission / Secretary, Odisha Electricity Regulatory Commission / Principal Resident Commissioner, Odisha, New Delhi for favour of information & necessary action.

Ag. 17.07.2015

Under Secretary to Government

Memo No. 19936 /F. dated 17.7.2015

Copy forwarded to all the Controlling Officers for information and necessary action.

Ag. 17.07.2015

Under Secretary to Government

Memo No. 19937 /F. dated 17.7.2015

Copy forwarded to the Director of Treasuries & Inspection, Odisha, Bhubaneswar / all Treasury Officers / Sub-Treasury Officers for information and necessary action.

Ag. 17.07.2015

Under Secretary to Government

Memo No. 19938 /F. dated 17.7.2015

Copy forwarded to all Officers / all Branches of Finance Department for information & necessary action.

Ag. 17.07.2015

Under Secretary to Government

FORM NO. 10A

[See rule 17A]

**Application for registration of charitable or religious trust or institution
under clause (aa) of sub-section (1) of section 12A of the Income-tax Act, 1961**

To
The Commissioner of Income-tax,

Sir,

I, _____ on behalf of _____ [name
of the trust or institution] hereby apply for the registration of the said trust/institution under section 12A of the
Income-tax Act, 1961. The following particulars are furnished herewith:

1. *Name of the *trust/institution in full (in block letters]*
2. *Permanent Account Number*
3. *Address*
4. *Name(s) and address(es) of author(s)/founder(s)*
5. *Date of creation of the trust or establishment of the institution*
6. *Name(s) and address(es) of trustee(s)/manager(s)*

I also enclose the following documents:

1. (a) * Original/Certified copy of the instrument under which the trust/institution was created/established,
together with a copy thereof.
- (b) * Original/Certified copy of document evidencing the creation of the trust or the establishment of the
institution, together with a copy thereof. [The originals, if enclosed, will be returned].
2. Two copies of the accounts of the * trust/institution for the latest * one/two/three years.

I undertake to communicate forthwith any alteration in the terms of the trust, or in the rules governing the
institution, made at any time hereafter.

Date

Signature

Designation

Address

*Strike out whichever is not applicable.