

HIGHER AND STATE AUDIT & ACCOUNTS SERVICES ASSOCIATION

WEST BENGAL

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FROM THE EDITORIAL BOARD

I remember while addressing you all in the last annual general meeting in 2019, we were buoyant with hope for an exciting new year. Sadly however, that was not to be. 2020 and on its heels, 2021 have been the most dreadful, disastrous and tumultuous years ever in mankind's history. Even the two horrible World War nightmares, the first one spanning 4 years between 1914 and 1918 and the second one that stretched from 1939 to 1945, perhaps had lesser devastating effect on the body and soul of mankind across the globe.

While the world is still smarting from the wounds inflicted by COVID-19, the fear of its newer variants is looming large. We do not know the exact timeframe within which we shall be able to get out of the catastrophe but the indelible and lasting numbing effect that it has left on us, the members of the West Bengal Audit & Accounts Service, will continue to stay along. How can we forget the smiling bright faces that had been around us for years together, helping us, cheering us and advising us in each step and whom we shall never see again? They were together with us even during the last AGM held in 2019; now they are no more.

While the sad demise of some of our friends can be directly attributed to COVID-19, not all our friends whom we have lost in this cruel span of 2 years have left us solely for COVID related illness. Yet, in a way, COVID definitely posed a hindrance in their way of getting the treatment and care that they deserved.

This year marks the Golden Jubilee of the introduction of our glorious Service. Fifty long years have passed since the West Bengal Audit & Accounts Service was introduced in tandem with the West Bengal Higher Audit & Accounts Service and the West Bengal Junior Audit & Accounts Service after a long deliberation by the Government about the formation of a specialized cadre of officers capable of gathering all loose strings of the state finance to foster a mechanism of monetary discipline in the Government based on established

monetary and financial norms as well as the rules and regulations specially framed by it for the purpose. The creation of the three specialised Services was done through Gazette Notification No 935-F Dated 27th March 1971.

The system of marking in the Bengali and Hindi papers of the Departmental Examination had put many of the examinees into trouble. We pointed out to the Principal Secretary, Finance Department and Principal Secretary P&AR and e-governance Department that while most of our examinees are being able to score 50% and above in aggregate, they are finding it difficult to maintain the same score for each question individually. Due to our persuasion, P&AR and e-governance Department has issued revised Notification in this regard.

We have requested to create more numbers of Special Secretary, Joint Secretary posts in our Service, to give 2 additional increments in each stage of CAS/Promotion, to provide Scale no 19 after completion of 19 years of service and to create new post.

Finance dept has already created new post in Kolkata Police and creation of posts in all Police Commissionerate is in pipeline. We are very much hopeful that Gradation list and Seniority Rule will be published very shortly.

We appreciate the steps taken by the members of our Service to keep the financial system in line during Covid -19 pandemic period in 2020 & 2021. Without their tireless effort it was quite impossible to keep the financial system in line.

Atlast we would like to extend our best wishes for a bright, happy and healthy New year to all our members and their families. We hope that with your continued support our Association will work with greater zeal and fervour in the coming year towards brightening up the career prospects of each and every member.

Tax on Dividend

CA Mukesh Jha
(2013 Batch)

In financial terms passive income describes money that a one-time investment continually generates, without requiring the investor to monitor or adjust their holdings. Dividend stocks are one of the simplest ways for investors to create passive income.

1) Meaning:

Dividend usually refers to the distribution of profits by a company to its shareholders. However, in view of Section 2(22) of the Income-tax Act, the dividend shall also include the following:

- (a) Distribution of accumulated profits to shareholders entailing release of the company's assets;
- (b) Distribution of debentures or deposit certificates to shareholders out of the accumulated profits of the company and issue of bonus shares to preference shareholders out of accumulated profits;
- (c) Distribution made to shareholders of the company on its liquidation out of accumulated profits;
- (d) Distribution to shareholders out of accumulated profits on the reduction of capital by the company; and
- (e) Loan or advance made by a closely held company to its shareholder out of accumulated profits.



2) Earlier Law Vs. Present Law

Earlier law:

(Introduced in 1998)

115-O: Company pays CDT (Corporate Dividend Tax)

10(34): Dividend is Exempt in the hands of shareholder

115-R: Mutual Fund pays CDT

10(35): Exempt in the hands of Unitholder

Present Law:

* No CDT for company and shareholder pay normal tax on dividend.

3) Section 56: Income from Other Sources

“ Dividend Income, shall be chargeable to tax under the head ‘ Income from Other Sources’.

Dividend Includes deemed dividend u/s 2(22)(a)/(b)/(c)/(d)/(e)

Proviso to Section 57: Deduction from Dividend Income:

Provided that no deduction shall be allowed from the dividend income, or income in respect of units of a Mutual Fund specified under clause (23D) of section 10 or income in respect of units from a specified company defined in the Explanation to clause (35) of section 10, other than deduction on account of interest expense, and in any previous year such deduction shall not exceed twenty per cent of the dividend income, or income in respect of such units, included in the total income for that year, without deduction under this section.

Example: Mr. X invested in shares and received dividends during the year at various dates as under:

Date of receipt	Script	Nature of dividend	Amount of dividend
27-06-2020	GAIL	Final	1,75,000
25-08-2020	TCS	Final	82,000
12-09-2020	Ongc	Final	2,34,000
15-09-2020	BHEL	Final	98,000
27-11-2020	CIPLA	Interim	273,000
02-02-2021	NTPC	Interim	169,000

To earn the dividend income Mr. X spent Rs. 67,000/- as interest on borrowed funds towards investment in shares during the year. He also incurred Rs. 1,00,000/- as collection charges of dividend. Calculate Income From Other Sources.

Solution:

Dividend Income = Rs. 10,31,000/-. As per proviso to section 57, limit of deduction of interest expenses shall be 20% of Rs. 10,31,000/- i.e. Rs. 2,06,000/-. But the actual interest expenses is Rs. 67,000/- Hence, deduction under proviso of section 57 is Rs. 67,000/-.

Income from other sources: (10,31,200- 67,000) = Rs. 964,000/-

4) TDS on Dividend:

Section 194: The principal officer of an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends (including dividends on preference shares) within India, shall, before making any payment [by any mode] in respect of any dividend or before making any distribution or payment to a shareholder, who is resident in India, of any dividend within the meaning of sub-clause (a) or sub-clause (b) or sub-clause (c) or sub-clause (d) or sub-clause (e) of clause (22) of section 2, deduct from the amount of such dividend, income-tax [at the rate of ten per cent] :

Provided that no such deduction shall be made in the case of a shareholder, being an individual, if—

- (a) the dividend is paid by the company by [any mode other than cash]; and
- (b) the amount of such dividend or, as the case may be, the aggregate of the amounts of such dividend distributed or paid or likely to be distributed or paid during the financial year by the company to the shareholder, does not exceed [five thousand] rupees:

Provided further that the provisions of this section shall not apply to such income credited or paid to—

- (a) the Life Insurance Corporation of India
- (b) the General Insurance Corporation of India
- (c) any other insurer in respect of any shares owned by it or in which it has full beneficial interest;
- (d) a “business trust”, as defined in clause (13A) of section 2, by a special purpose vehicle referred to in the Explanation to clause (23FC) of section 10;
- (e) any other person as may be notified by the Central Government in the Official Gazette in this behalf.]

5) TDS on Dividend from Mutual Fund:

Section 194K: Any person responsible for paying to a resident any income in respect of—

- (a) units of a Mutual Fund specified under clause (23D) of section 10; or
- (b) units from the Administrator of the specified undertaking; or
- (c) units from the specified company,

shall, at the time of credit of such income to the account of the payee or at the time of payment thereof by any mode, whichever is earlier, deduct income-tax thereon at the rate of ten per cent:

Provided that the provisions of this section shall not apply—

- (i) where the amount of such income or, as the case may be, the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the financial year by the person responsible for making the payment to the account of, or to, the payee does not exceed five thousand rupees; or
- (ii) if the income is of the nature of capital gains.

Proviso to Section 57: Deduction from Dividend Income:

Provided that no deduction shall be allowed from the dividend income, or income in respect of units of a Mutual Fund specified under clause (23D) of section 10 or income in respect of units from a specified company defined in the Explanation to clause (35) of section 10, other than deduction on account of interest expense, and in any previous year such deduction shall not exceed twenty per cent of the dividend income, or income in respect of such units, included in the total income for that year, without deduction under this section.

The whole concept is discussed in detail in my you tube channel “ CA. Mukesh Jha”

link of my channel is : <https://www.youtube.com/c/CAMUKESHJHA>

link of relevant video is: <https://youtu.be/e64KE1e53kA>

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Green Bond

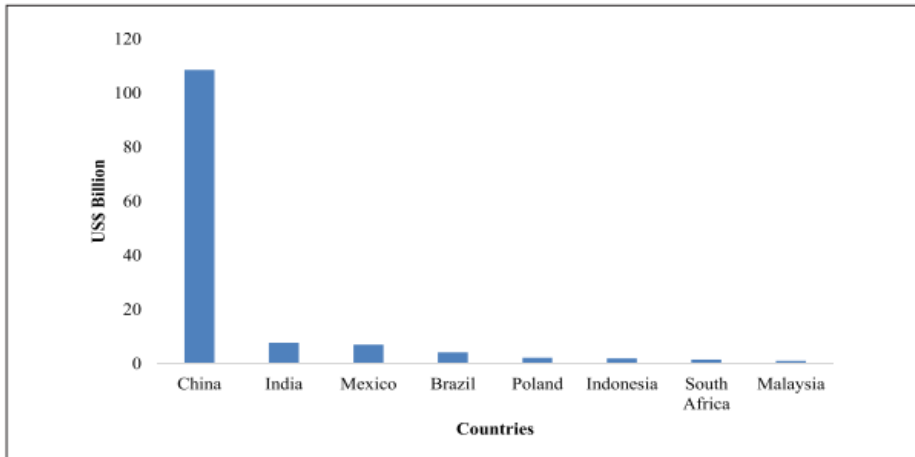
Arpan Das

(2016 Batch)

As the World Leaders Summit kicked off at COP26 held at Glasgow on 1st November, India announced that it would be “net zero” in terms of emissions of Green House Gasses by 2070. It is projected that by 2030, India – the world’s fourth-largest Greenhouse Gas (GHG) emitter after China, the US and the EU – will generate 500 GW power from non-fossil fuel sources (up from the previous pledge of 450 GW), Prime Minister Narendra Modi pledged at COP26 conference. This will be around 50% of the country’s installed energy capacity as per our estimated climate budget. Across the world rising carbon emissions, global warming and extinction of species is a matter of great concern. The shortage of oxygen during the COVID-19 pandemic has shown the need for environmental protection. In this backdrop, supporting renewable energy resource needs proper financing in coming days. In 2008, the World Bank issued its first Green Bond in response to increasing demand for funding the alternative fossil fuel energy resources in different projects across the world. A Green bond is a fixed-income instrument designed specifically to support specific climate-related or environmental projects. Green bonds may come with tax incentives to enhance their attractiveness to investors. These bonds are designated bonds intended to encourage sustainability and support climate-related or other types of special environmental projects. More specifically, Green Bonds finance projects aimed at energy efficiency, pollution prevention, sustainable agriculture, fishery and forestry, the protection of aquatic and terrestrial ecosystems, clean & green transportation, clean water, and sustainable water management. They also finance the cultivation of environmentally friendly technologies and the mitigation of climate change. It works just like any other corporate or Government Bond. Borrowers issue these securities in order to secure financing for projects that will have a positive environmental impact, such as ecosystem restoration or reducing pollution. Green bonds, popular in foreign countries, should be encouraged more and more in India. During the COVID-19 period, Ghaziabad Municipal Corporation issued its first “Green Bond 26” in India on April 08, 2021 to raise ₹150 crore with a coupon rate of 8.10 per cent for a tertiary water treatment plant to benefit industries in Ghaziabad. A number of Government agencies have contributed to the issuance of Green Bond viz. Indian Renewable Energy Development Agency (IREDA), Indian Railway Finance Corporation (IRFC), State Bank of India etc. Indian Government has committed to “phase down” — instead of “phase out” — of coal and fossil fuel subsidies, thus leaving room for the country to chart its own low carbon transition pathway.

In order to bridge the funding gap, Government including Urban Local Bodies need to step up their endeavor to explore more possibility for raising fund through issuance of Green Bond for a better future.

Figure 9: Major Emerging Markets for Green Bonds Issuance 2012-18 (US\$ Billion)



Source: Emerging Market Green Bonds Report 2018.

Muni Bonds: Municipal bonds are also referred to as ‘Muni bonds’. The Urban Local Government and agencies issue these bonds. Municipal bonds exist in India since the year 1997 but used randomly as and when required. Bangalore Municipal Corporation (BMC) was the first urban local body to issue municipal bonds in India. Ahmedabad followed Bangalore in the succeeding years. The municipal bonds lost the ground after the initial investors’ attraction it received and failed to raise the desired amount of funds. To revive the municipal bonds, market watchdog SEBI came up with guidelines for the issue of municipal bonds in 2015. As per the SEBI guidelines, A municipality must meet the following eligibility criteria to issue municipal bonds in India:

- The municipality must not have a negative net worth in each of the three previous years.
- The municipality must have no default in the repayment of debt securities and loans availed from the banks or non-banking financial companies in the last year.
- The municipality, promoter and directors must not be enlisted in the willful defaulters published by the Reserve Bank of India (RBI). The municipality should have no record of default in the payment of interest and repayment of principal with respect to debt instruments.

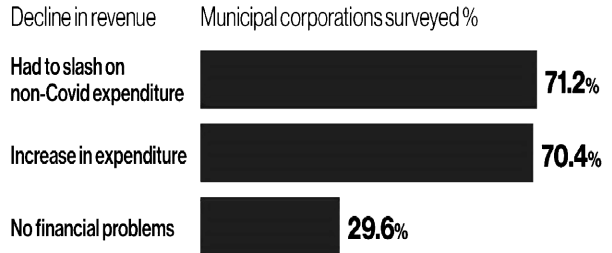
The market regulator has further mandated that the municipal bonds must have a rating over and above the investment-grade for the public issue. Local municipal bodies form the weakest layer in the administration of the country in terms of financing capabilities but it plays an important role in doorstep governance. Municipal corporations have “come under severe strain, forcing to cut down expenditures and mobilize funding from various sources”, the State Finances 2021-22 report by the Reserve Bank of India (RBI) said. There is a need to reinforce the financial autonomy of civic bodies, strengthen

their governance structures and financial empowerment for each one of them. Municipal corporations worked with a fall in revenues and increased expenditure during the pandemic. Both village panchayats and urban local bodies struggled for funds.

World Bank study had estimated that local authorities globally would lose around 15-25 per cent of revenues in 2021. About 70 per cent of municipal corporations reported a decline in revenue, and 71 per cent reported an

increase in expenditure as per RBI report on State Finances. Ahmedabad Municipal Corporation issued a 'Muni Bond' worth ₹200 crore in 2019 having maturity period of 5-years and 8.7 per cent coupon rate to fund urban infrastructure development. Apart from Ahmedabad Municipal Corporation, around ₹1,800 crore worth of municipal bonds were issued by nine other municipalities viz. Pune, Hyderabad, Indore, Bhopal, Vishakhapatnam, Ahmedabad, Surat, Lucknow and Ghaziabad during COVID period. Local Governments across the world suffered from insufficient budgets, over reliance on funds from upper tiers of Government, lack of access to new sources of revenue, limited autonomy to change/introduce taxes, and low levels of taxpayer compliance. There are several facets of municipal finances that merit reforms. Greater fiscal transparency, revitalising the municipal bond market, boosting developmental/infrastructure finance and green finance, exploiting land based financing opportunities and developing partnerships with impact finance in the private space would all strengthen the third tier ULBs, and make it viable and effective, especially in managing and mitigating overall future crises.

MUNICIPAL CORPORATIONS: FINANCIAL CHALLENGES



Sources: Business Today, RBI report on State Finances., Google.

Tax Application in the hands of employee in respect of contribution to Provident Fund

CA Mukesh Jha

(2013 Batch)

1) Background of Provident Fund

Employee Provident Fund is to provide social security to employee and his family with the lump sum payments at the time of exit from their employment.

There are different kinds of provident funds, they differ from each other in their operation and taxability. These funds can be Statutory Provident Funds, Recognised Provident Funds, Unrecognised Provident Funds, and Public Provident Funds.

2) Taxability of employer's contribution to various fund before Amendment of Finance Act, 2020:

Employer's contribution to various Fund	Not taxable for the amount upto
Recognized Provident Fund	12% of salary
Approved Superannuation Fund	Rs. 1,50,000/-
National Pension Scheme (NPS) contribution	10% of Salary (for Central Govt. Employee 14% of salary)

Interest credited on such funds are exempt from tax. Employee's contribution to these funds are eligible to get deduction under section 80C. Amount received at the time of retirement or death is fully exempt in case of Approved Superannuation fund and NPS contribution.

However in case of Recognized Provident Fund Termination payment will include 4 things, viz., employee's contribution and interest thereon and employer contribution and interest thereon. The tax treatment of such payments are as follows:

- Employee's contribution is not chargeable to tax; interest on employee contribution is taxed under the head "**Income from other sources**".
- Employer's contribution and interest thereon are taxed as salary income u/s 17(3) of Income Tax Act. However, an employee can claim relief u/s 89 in respect of arrears of such payment.

3) Basis of Amendment in Finance Act, 2020:

The Government noticed that, there is no combined upper limit for the purpose of deduction on the amount of contribution made by the employer.

This is giving undue benefit to employees earning high salary income. Employees with high salary income are able to design their salary package in a manner where a large part of their salary is paid by the employer in these three funds. Thus, this portion of salary does not suffer taxation at any point of time, since Exempt-Exempt-Exempt (EEE) regime is followed for these three funds. Thus, not having a combined upper cap is iniquitous and hence, not desirable.

Therefore, a combined upper limit of seven lakh and fifty thousand rupee in respect of employer's contribution in a year to NPS, superannuation fund and recognised provident fund and any excess contribution is proposed to be taxable. Consequently, any annual accretion by way of interest, dividend or any other amount of similar nature during the previous year to the balance at the credit of the fund or scheme may be treated as perquisite to the extent it relates to the employer's contribution which is included in total income.

4) Amendment by Finance Act, 2020:

Perquisite (Section 17): Taxable as perquisite

The amount or the aggregate of amounts of any contribution made to the account of the assessee by the employer—

- (a) in a recognised provident fund;
- (b) in the scheme referred to in sub-section (1) of section 80CCD; and
- (c) in an approved superannuation fund,

to the extent it exceeds seven lakh and fifty thousand rupees in a previous year;

(viii) the annual accretion by way of interest, dividend or any other amount of similar nature during the previous year to the balance at the credit of the fund or scheme referred to in sub-clause (vii) to the extent it relates to the contribution referred to in the said sub-clause which is included in total income under the said sub-clause in any previous year computed in such manner as may be prescribed.

Ex 1:

Salary Rs. 50 lakh (Per Annum) and employer's contribution to provident fund are as follows:

- a) 12% salary contribution to RPF = Rs. 600,000/-
 - b) Contribution to New Pension Scheme = Rs. 200,000/-
 - c) Super Annuation Fund = Rs. 150,000/-
- Taxable Perquisite= 950,000-750,000= Rs. 200,000/-

Ex 2:

Salary Rs. 50 lakh (Per Annum) and employer's contribution to provident fund are as follows:

- a) 20 % salary = Rs. 10,00,000/-
- b) Contribution to New Pension Scheme = Rs. 200,000/-
- c) Super Annuation Fund = Rs. 150,000/-

Perquisite:

Individual Limit: Contribution to RPF in excess of 12% = Rs. 400,000/-

Taxable Perquisite = Rs. 200,000/-

Rule 3B Taxability of Interest on Employer's Contribution to Provident Fund:

Rule 3B provides the below formula to calculate the taxable perquisite u/s 17(2)(viiia):

$$TP = (PC/2) * R + (PC_1 + TP_1) * R$$

Where,

TP = Taxable perquisite under u/s 17(2)(viiia) of the Act for the current previous year;

TP₁ = Aggregate of taxable perquisite u/s 17(2)(viiia) of the Act for the previous year or years commencing on or after 1st day April, 2020 other than the current previous year (See Note);



PC = Amount or aggregate of amounts of principal contribution made by the employer in excess of Rs. 7.5 lakh to the specified fund or scheme during the previous year;

- *PC₁* = Amount or aggregate of amounts of principal contribution made by the employer in excess of Rs. 7.5 lakh to the specified fund or scheme for the previous year or years commencing on or after 1st day April, 2020 other than the current previous year (See Note);

- $R = I / F_{avg}$;

- *I* = Amount or aggregate of amounts of income accrued during the current previous year in the specified fund or scheme account;

- $F_{avg} = (\text{Amount or aggregate of amounts of balance to the credit of the specified fund or scheme on the first day of the current previous Year} + \text{Amount or aggregate of amounts of balance to the credit of the specified fund or scheme on the last day of the current previous year}) / 2$.

The method prescribed

in Rule 3B is very difficult to understand so the taxability on annual accretion of fund is illustrated below through example:

Example 1:

Particulars	FY 2020-21	FY 2021-22
Opening balance of specified funds (A)	50,00,000	64,40,000
Employer contribution during the year (B)	10,00,000	12,00,000
Withdrawal during the year (C)	-	-
Annual accretion during the year (interest etc.) (D)	4,40,000	5,63,200
Closing balance of specified funds (E)= (A+B-C+D)	64,40,000	82,03,200

Solution:

Solution		
Rate $(440,000 \times 100 / 5720000)$ (Avg of opening & Closing Balance)	7.69	7.69
Contribution in excess of 750,000	2,50,000	4,50,000
Interest taxable $(250,000 / 2 \times 7.69\%)$	9,615	$(450,000 / 2 \times 7.69\%)$ 17,303
Interest taxable of PY $(250000 + 9615) \times 7.69\%$		19,964

5) Amendment by Finance Act: 2021

a) Interest on Employee contribution to PF is taxable in excess of Rs. 2.5 Lakh in a Financial Year w.e.f 01/04/2021

b) if the contribution by such person is in a fund in which there is no contribution by the employer of such person, the provisions of the first proviso shall have the effect as if for the words “two lakh and fifty thousand rupees”, the words “five lakh rupees” had been substituted;

This can be better understood considering the below example:

Amount Contributed by assessee during Previous Year	Whether employer contributing to fund?	Whether interest earned shall be taxable?	How much interest of employee’s contribution shall be taxable?
Rs. 1,50,000	Yes	No	Not taxable till amount Rs.2,50,000/-

Rs. 2,50,000	Yes	No	Not taxable till amount Rs.2,50,000/-
Rs. 2,50,000	No	No	Not taxable till amount Rs.5,00,000/-
Rs.4,00,000	Yes	Yes	Interest on contribution of Rs.1,50,000/- (4,00000-250000)
Rs.4,00,000	No	No	Not taxable till amount Rs.5,00,000/-
Rs.5,50,000	No	Yes	Interest on contribution of Rs. 50,000/-(5,50,000- 5,00,000)
Rs.5,50,000	Yes	Yes	Interest on contribu- tion of Rs. 300,000/- (5,50,000-2,50,000)

The interest income shall be taxable under the head 'Income from other sources' as this income does not generated from employer-employee relationship. This interest income will become part of the total taxable income of the taxpayer. There are no special rates for the taxability of this interest. Hence, such income shall be taxed at the prevailing income tax rates.

The whole concept is discussed in detail in my you tube channel " CA. Mukesh Jha".

link of my channel is : <https://www.youtube.com/c/CAMUKESHJHA>

link of relevant video is: <https://youtu.be/m2kLTcaUHRQ>

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Guarantee, Guarantee Redemption Fund and IGAS-I

Arpan Das

In the Eighth Conference of the Finance Secretaries of Different State Governments with the Reserve Bank of India (RBI), on May 26, 2001, it was noted that several States have taken initiative to fix a ceiling on Government Guarantees pursuant to the recommendations of the Technical Committee on State Government Guarantees (February, 1999). Subsequently, The West Bengal Ceiling on Government Guarantees Act 2001 was passed by the West Bengal Legislative Assembly on 31st July 2001. The main objective of West Bengal Ceiling on Government Guarantees Act 2001 was to fix the ceiling on State Government Guarantees. The Act states that the total outstanding State Government Guarantee as on the first day of April of any year will not exceed ninety percent of the State Revenue receipt of second preceding year of such year as they stood in the books of the Accountant General of West Bengal. It was also mentioned that Government shall charge a minimum of one percent as Guarantee Commission which shall not be waived under any circumstances. Finance Dept. on behalf of State Govt. provides Guarantee including performance Guarantee to various State Govt. Departments, State PSUs, Local Authorities, Statutory Boards, Corporations to back their development related activities from time to time. Such Guarantees are issued against Consolidated fund of the State and hence the default risk of the loanee institution/corporations becomes negligible. For example, suppose Power Finance Corporation (PFC) has decided to extend financial assistance to State DISCOM (Distribution Company) WBSEDCL against which State Government Guarantee was sought. Now, Power department will approach State Govt. to issue Guarantee equivalent to the Loan Amount against Consolidated Fund of the State so that the default risk can be minimized. The disclosure requirement on such issuance of Guarantee becomes very much important as Governments need to record the expected value of future commitments while issuing Guarantees. Issuing Guarantee can also be of high risk as they may convert into future debt. In exercise of the powers conferred by article 150 of Indian Constitution, the President of India, on the advice of Comptroller & Auditor General of India made accounting Standard viz. Indian Government Accounting Standard -I and Guarantee issued by State Government, Central Government and Union Territories are required to disclose Maximum amount Guaranteed, Outstanding Guarantee amount as on the end of the year, Addition of Guarantee during the year, Deletion of Guarantee during the year, Guarantee invoked or not during the year etc. in a designated format introduced through IGAS-I. Article 292 of Constitution of India provides executive power to the union Government to borrow upon the security of Consolidated fund of India. Similarly, Article 293 of Constitution of India provides executive power to the State Government to borrow upon the security of Consolidated fund of State. The

prime objective of IGAS-I disclosure requirement is to showcase if there exists any additional liability on Government exchequer due to the issuance of Guarantee over and above States/Central Govt's outstanding debt stock. Many Governments also set up Guarantee Redemption Fund to make some contingent provision for discharging any unforeseen liability arising out of default in payment by loanee institutions/corporations which can cause significant impact on respective Consolidated Fund of State/Centre. In terms of Finance Dept. memo no. 1240-FB Dated 02.01.2015, Scheme for constitution and administration of Guarantee Redemption Fund 2014 was constituted for the State of West Bengal. As per the said notification the minimum annual contribution to the Guarantees Redemption Fund Scheme, 2014 of the State Govt. is to be 0.50% of the Outstanding Guarantee Amount of the previous year and the amount outstanding of such fund together with interest stands at Rs. 632 crores as on October 2021. As per the reports available with RBI, Odisha is having the highest investment in Guarantee Redemption Fund (GRF) followed by the Telangana.

List of Reference taken from the Resources available in Public domain:

RBI Report of the Group to Assess the Fiscal Risk of State Government Guarantees,

The Gazette Notification of Govt on India on IGAS-I,

The West Bengal Ceiling on Government Guarantees Act 2001, RBI Monthly Bulletin December 2021.

CENTRAL STATE FINANCIAL RELATION IN THE CONTEXT OF GST

Partha Chakraborty
2004 Batch

Introduction:

India follows a federal structure where the powers are shared between both the centre and the states. Though however, the distribution of these powers are not equal, and we often find states raising constant concerns about their extreme dependence on the Union Government for all the matters, thus limiting their powers and autonomy. Hence, it is also said that India follows a quasi-federal structure where the central government enjoys more powers over the states.

Similarly in the financial field too, the Union Government is more powerful than the states and though there have been various reforms in fiscal federalism from time to time still there exists a wide variety of issues that needs to be addressed. As in the present situation also the states have to rely heavily on the centre for financial resources.

Distribution of powers – Levying and collection of taxes

Article 268 to 281 of the Indian Constitution has made elaborate provisions that provide directions to the centre relating to the distribution of financial resources amongst the states. It lays down principles for the centre and states to work in coordination for levying and collection of taxes through systematic arrangements.

The provisions, for the time being, can be summarised as follows but will be explained in detail further. It includes:

- Taxes levied by the Union but collected and kept by the States (Article 268).
- Taxes levied and collected by the Union but assigned to the States (Article 269).
- Taxes levied and distributed between the Union and the States (Article 270).
- Grant-in-aid from the Centre to the States (Article 273, Article 275 and Article 282).
- Sharing of proceeds from other taxes.

GST Regime – 101st Amendment:

The 101st Amendment in the constitution and the introduction of GST in the Indian Economy has significantly changed the landscape of financial relations between the centre and states. Therefore, it is

extremely important to have a basic knowledge of what GST is, its application and its different forms.

Position before GST

Before the introduction of GST, there were multiple taxes imposed by the centre and states separately and the distribution of which was confusing and non-uniform. It included Service Tax, Central Excise, Customs duty and State VAT etc. But after the GST, the principle of one nation one tax was adopted.

Position before GST

GST is categorized into CGST, SGST or IGST depending on whether the transaction is Intrastate or Interstate supplies. Let's understand what does this mean:

Inter-state and Intra-state Supplies

- i) Intra-State supply of goods or services: In these kinds of transactions, the location of the supplier and the place of supply are in the same state.
- ii) Inter-State Supply of Goods and Services: As per the Section 7 of The Integrated Goods, and Services Tax Act 2017 it can be understood that "Inter-state" trade or commerce basically means:
when the supplier is located in some other state or union territory and the place of the supply is in another state/UT, or
when the supply of goods or services is made to or by a Special economic zone (SEZ) unit.

Central Goods and Services Tax (CGST)

CGST is a tax imposed on Intra-state supplies of goods and services and is governed by the CGST Act. Along with this SGST/UTGST will also be levied on the same transaction and shall be governed by the SGST/UTGST Act.

It implies that in the case of Intra-state supplies of goods and services both CGST and SGST are combined which are collected simultaneously; where CGST goes to the centre and SGST goes to the state.

The proportion of SGST and CGST is equal.

However, it must be noted that any tax levied on Intra-State supplies of goods and/or services by the centre and state shall not exceed 14% each.

State Goods and Services Tax (SGST)

The SGST is a tax levied by the state on the Intra State supplies of goods and/or services by the State Government.

It is governed by the SGST Act.

As already mentioned above it is levied and collected simultaneously with the CGST.

In the case of Union territories, it is called UGST and governed by the UGST Act.

Integrated Goods and Services Tax (IGST)

IGST or Integrated Goods and Services Tax is a tax levied on all Inter-State supplies of goods and/or services.

It is governed by the IGST Act.

IGST applies on any supply of goods and/or services in case of both import into India and export

from India. Though the exports will be zero-rated.

Tax obtained under IGST is shared between centre and states as per Article 269A.

The biggest achievement of GST is that it introduced a single uniform tax system with dual tax features where the revenue is shared between both centre and state.

The GST council as mentioned under Article 279 A, shall make decisions in relation to the GST rate, inter supply transactions and other matters related to GST etc.

Article 265- Taxes not to be imposed save by authority of law Explanation:

According to Article 265 of the Constitution of India, the union and state cannot levy or collect any tax except authorised by law.

This basically means that the power of the centre or state government to levy and collect tax is not absolute power; as Article 265 of the Constitution of India imposes certain general and specific limitations on it.

These restrictions can be easily understood after defining the scope of the expressions used in this section.

Scope

i) Law: The expression “law” used in this section basically refers to the statute law i.e. the act of the legislature. It essentially means that there must be an existence of expressive legislative provision for the imposition of a tax.

Therefore, the important thing to note here is that a tax cannot be levied merely upon the orders of the executive. As it will not fall within the meaning of this expression. Further, it can also be stated that the passing of a mere resolution by the house will also not be sufficient in the present case. So in order to obtain any tax under the law, the Article requires the legislature to enact a law.

ii) Levy and collection: The use of the expression ‘levy’ and ‘collection’ mentioned under this Article is not only limited that the imposition of a tax must be authorised by the law but rather it is comprehensive and wide enough to include that even the collection of the tax must be sanctioned by the law. Therefore, it basically means that every stage in this entire process must comply with the requirement.

Moreover, a taxing statute must also not be in violation of Article 13 of the Indian constitution i.e. it should not lead to any infringement of fundamental rights enshrined in the constitution. It should not transgress the equal protection clause of Article 14, reasonable restrictions clause of Article 19 or the freedom of trade and commerce guaranteed under Article 301 of the Indian constitution.

Case law

In the case of *Pratibha R.C.C. Spun, pipe and cement products V/s State of Karnataka*, the imposition of a certain tax was rejected in the light of Article 265 of the Indian Constitution. In the instant case, a tax was charged in the pretext of a fee. Since there was no legislative enactment behind the same, the imposition of the tax was considered illegal.

So, to summarise it can be stated that merely an executive order is not sufficient for the levying

and collection of a tax and it is mandatory that there must be legislative enactment behind the same. Additionally, apart from the imposition of the tax, even the recovery of the same must also be authorised by the legislature through a statute or act.

Article 266- Consolidated Funds and public accounts of India and of the States

Article 266 of The Constitution of India focuses on the “Consolidated Funds and public accounts of India and of the States”. It lays down the definition of consolidated funds and public accounts.

Consolidated Funds

As per the clause (1) of Article 166, Consolidate funds is a fund consisting of all the: The revenue received by the Government of India.

Loans raised by the Government through issuing of treasury bills, advances, recovery of loans etc.

Exception: It excludes the items of Public funds mentioned in Article 266 and items of Contingency funds contemplated under Article 267 of the Indian constitution. It also does not include certain other provisions of Chapter XII of the constitution of India, which deal with the assignment of the whole or part of the net proceeds of some specific taxes and duties to States.

Explanation: Essentially speaking it is the Consolidated Fund mentioned under Article 266(1) which is generally called as the budget.

It includes all the revenues received by the Government, receipts of interests and repayment of the loans given by the Government, and all the advances or new loans raised by the Government.

All the expenditures of the Government are met through the Consolidated Fund except in cases of unforeseen circumstances.

Further, no amount of money can be taken out of consolidated funds by the Government without the authorisation from the parliament.

Consolidated funds in a state

Similar to the consolidated funds in India there are consolidated funds in a state as well. It includes all the revenue received by the Government of a State, all loans, advances or money received by the Government in repayment of loans etc. Further, all the above exceptions are equally applicable here also.

Taking out money from Consolidated fund

As per clause (3) of Article 266, the money out of the Consolidated Fund of India or the Consolidated Fund of a State can only be appropriated upon satisfaction of the following conditions:

It must be in accordance with the law.

It must have been used for the purpose intended.

It should have been appropriated in accordance with the manner provided in the constitution.

Public funds

As per sub-clause (2) of Article 266, public funds shall be constituted of all the other public revenue obtained by the Government of India or the Government of State, or on the behalf of the Government. Such money received as the case may be either included in the public account of India or in the public account of the state.

Explanation:

It basically includes certain specific transactions, such as small saving collections, provident funds, etc. In the case of public funds, the Government is performing the duty similar to a banker as the funds kept in the Public Account does not belong to the Government, and the Government will have to pay back this money in future to the persons and authorities who have deposited it. Therefore, there is no requirement of obtaining any authorisation from the parliament before withdrawing money from the public account.

Article 267- Contingency Fund

Contingency Fund is defined under Article 267 of the Constitution of India, 1949. Provisions under these Articles are:

Contingency Fund of India

As per this article, the Parliament by the authority of law may constitute a contingent for the purpose of meeting urgent or unforeseen circumstances fund titled as the "Contingency Fund of India".

Nature of the fund: The fund is in a form of imprest and the Parliament may make law regarding the sum which has to be deposited from time to time in the fund.

Approval: The fund is under the disposal of the President of India and it does not require any prior sanction or approval from the Parliament. Though afterwards, the expenditure needs to be authorised by the Parliament under Article 115 or Article 116.

Further, with the approval of the parliament, the Government has to replenish the contingency fund by drawing out an equal proportion of sum from the consolidated fund.

Contingency Fund of the State

Similarly, the legislature of a state may also establish a "Contingency Fund of the State" for the same objective i.e. urgent or unforeseen circumstances.

Nature of the fund: The fund is in a form of imprest and the State legislatures may make law regarding the sum which has to be deposited from time to time in the fund.

Approval: The fund is under the disposal of the Governor of the State and it does not require any prior sanction or approval from the State Legislature. Though afterwards, the expenditure needs to be authorised by the Legislature of the State under Article 205 or Article 206 of the Constitution of India.

Further, with the approval of the State Legislature, the Governor has to replenish the contingency fund by drawing out an equal proportion of sum from the consolidated fund.

Article 268- Duties levied by the Union but collected and appropriated by the State Explanation

Article 268 refers to stamp duties levied by the Union but collected and appropriated by the States. It includes stamp duties on bills of exchange, cheques and promissory notes as levied by the Government of India.

These taxes are not included in the consolidated fund of India and appropriated by the same state in which it was levied thus do not contribute to the Consolidated Fund of India, While in the case of Union

territories the fund shall be appropriated to the Government of India.

Further, as per the article, all the decisions regarding levying and appropriation of these duties rest with the central government as it forms a part of the union list.

Issues

The Indian States have been repeatedly raising their concerns regarding that the centre is not optimally allowing the state to exploit the taxation resources mentioned under Article 268 and Article 269. Especially with regard to letters of credit, bills of lading, and the policies of general insurance, which results in limiting the tax resources of the states and their further development.

Suggestions

Experts have been suggesting that the scope to raise more resources under Article 268 and 269 must be freshly examined. As it was last reviewed by the VIII Financial Commission in 1984. Thus, it has become important to define the scope in order to meet the present requirement.

Amendment

With the 88th Amendment in the constitution, a new provision 268 A was inserted in this article which brought service tax within its ambit. But it was again excluded by the 101st Amendment in the Constitution and with the introduction of GST. Further, it also omitted the duties of excise on medical and toilet preparation, which were earlier included in this article but now amalgamated under GST.

Article 269 Taxes levied and collected by the Union but assigned to the States

Subclause (1) of Article 269

Article 269(1) includes all the taxes on the “sale or purchase of goods” and “taxes on the consignment of goods” except those included in Article 269 A. These taxes are assigned to States as provided by the law but are collected and levied by the Government of India.

Explanation:

1) The expression “taxes on the sale or purchase of goods” does not imply on all kinds of trade but essentially refers to the taxes that are levied on inter-state sale or purchase of all kinds of goods except newspapers.

2) The expression “taxes on the consignment of goods” refers to tax duty levied on the consignment of goods when happening in the course of Inter-state trade. It includes both the cases even when the consignment is to the person making it or to any other person.

It may include:

Succession Duty

Central Sales Tax

Estate Duty etc

Subclause (2) of Article 269

Article 269(2) lays down that the revenue obtained from such tax is distributed between states (except in case of Union territories where it goes to the central government), It does not form the part of the consolidated fund of India. The manner of the distribution is to be prescribed by the Parliament.

Subclause (3) of Article 269

Article 269(3) further explains that the parliament has the power to define the scope of what constitutes the sale, purchase or consignment of goods in the course of inter-State trade or commerce.

To which state the Inter-state tax (IGST) goes?

Further in Inter-state commerce and trade i.e., Central tax collected goes to the consumer state. This can be easily understood with the help of the following example.

For instance, if there is a jute bag manufactured in West Bengal and it is then exported to Orissa. As the goods involved here are transported from one state to another. Thus, IGST will be applied. We are also aware that, in IGST both the centre and state have their own share. As in the present case, West Bengal is the producing state and Orissa is the consuming state thus, the share of IGST will go to Orissa.

Article 269 (A) – Position in GST Regime

With the latest 101st Amendment a new article 269 A was inserted which brought some considerable changes.

Subclause (1) of Article 269

Article 269A(1) basically involves the following aspects:

Levy and collection of goods and services tax (GST).

It applies in the case of inter-State trade or commerce.

The tax collected shall be appropriated between the States and the Union.

The Parliament has the power to lay down the law regarding the sharing of taxes collected under this article as per the recommendations of the Goods and Services Tax (GST) Council.

The Parliament, in Section 17 of the Integrated Goods and Services Tax Act, 2017 in the exercise of its powers provided in Article 269A(1) of the Constitution has provided the manner in which integrated tax collected by the Union under the IGST Act can be apportioned in between the Union and the States.

Import of goods is a tax on supply

Article 269A(1) is followed by an explanation that in the context of India, all the imports of goods and services in the course of inter-State trade, shall be deemed to be considered as the part of the supply of goods and services.

Position after GST

This authorises the central government to levy IGST instead of CVD (countervailing duty) on the import transactions after the 101st amendment.

Position before GST

Before the introduction of GST, instead of IGST, CVD was applied in the case of inter-state trade or commerce. This was a specific form of tax that was imposed by the Government of India for the protection of domestic producers and to mitigate the adverse impact of import subsidies.

Amount collected shall not form a part of Consolidated fund

Article 269A(2) further provides that the amount appropriated to the state by the procedure contemplated under clause (1) will not form a part of the consolidated fund of India and shall directly

be given to states.

Subclause (5) of Article 269(A)- Parliament will make laws on the Inter-state trade and commerce Article 269A(5) deals with conferring the parliament certain powers to determine the scope or to decide the place of supply, as regards to when the supply of goods or services will constitute inter-State trade or commerce.

Case laws

Supreme court on Inter-state trade

In the case of State of Andhra Pradesh v. National Thermal Corporation Ltd., 2002, The Supreme Court pronounced that in the purview of Section 3 and Section 6 of Central Sales Tax Act, 1956., movement of goods to some other state, after completion of the transaction within the State will not amount to inter-state trade or commerce.

Therefore, the court dealt with a very important question in this case; which defined the scope of what will constitute inter-state trade which is explained as follows:

- 1) When in the terms of the contract itself expressly or impliedly stipulates the condition regarding the inter-State movement of goods;
- 2) Further only existence of such term will not be sufficient itself rather there must be some actual movement of goods from one State to another pursuant to such contract;
- 3) The goods must be moved from one state to another and the contract of sales must conclude in another state only.

Parliament has sole authority to make laws on Inter-State trade

In the case of Goodyear India Ltd. V. State of Haryana,1989, the question before the court was to decide upon the legitimacy of two sales tax acts dealing with the consignment of goods. The court stipulated that Section 13AA of the Bombay Sales Tax Act, 1959 and Section 9(1) (b) of the Haryana General Sales Tax Act, 1973 prescribing rules regarding the tax on consignment goods were beyond the scope of power of respective State Legislatures. As the power to tax inter-state trade rests only with the Parliament, hence the aforementioned sections were held invalid in the eyes of law.

Article 270- Taxes levied and distributed between the Union and the States

Article 270 of the Indian Constitution basically deals with the subject of how the taxes are levied and distributed between the Union and the states.

Clause (1) of Article 270

It lays down the procedure of the appropriation for certain taxes i.e. all the taxes except those mentioned under Article 268, 269 and 269A and any surcharge on taxes and duties mentioned in Article 271 or, any cess levied for a specific purpose, other than these the provision holds true for every other tax.

These taxes are levied and collected by the Union.

The tax shall be distributed between the States and the Central Government.

It may include taxes such as:

Excise Duty on Non-GST products

Income Tax

Basic Customs Duty etc.

4. The manner for this distribution is provided under Article 270(2).

But before proceeding with understanding the manner of distribution as provided under Article 270(2), Let us first study what changes the 101st Amendment brought to this Article and what are its implications.

Position after GST: The 101st Amendment inserted two new subclauses Article 270(1A) and Article 270(1B) under this article. It basically lays down how the scope of the tax to be distributed between Centre and State has been modified after the introduction of GST.

Sub-clause 270(1A): As per this Sub-clause, tax collected by the Central Government under clause (1) of Article 246A of the Indian Constitution will also be distributed between the centre and the state as per the method provided under Article 270(2).

246A(1): In simpler terms, it can be said that clause (1) Article 246A of the Indian constitution empowers both the Parliament and State Legislature to make laws with respect to the goods and services tax when the trade is happening within the state i.e. Intra-State.

Hence, this Sub-clause when read along with Article 270(1A), implies that the taxes collected under Article 246A(1) shall also be distributed between the states and the Union.

Sub-clause 270(1B): According to Sub-clause 270(1B), the following taxes collected by the Central government will also be distributed between Centre and States.

The amount apportioned to the Central government in IGST shall also be distributed to the states i.e. the central portion in IGST. It is the tax collected by the Central Government under clause (1) of Article 269.

Taxes collected under IGST which has been used for payment of CGST.

Clause (2) of Article 270: This clause lays down that the central tax obtained by the government as mentioned in clause (1) shall be distributed between the states as per the time and manner provided under clause (3) and such share will not form the part of the consolidated fund of India.

Clause (3) of Article 270: According to Article 270(3), all central taxes formed in one central pool shall be distributed in the manner prescribed by the President of India as per the recommendations of the Finance Commission. For the operational period of 2015-2020, the share of the states in the net proceeds of the Union tax revenue was 42%.

Article 271 – Surcharge on certain duties and taxes for purposes of the Union

Article 271 has the following key elements:

Parliament has the power to increase any duty or tax anytime by levying a surcharge except in the case of GST mentioned under Article 246A.

All the proceeds obtained from the surcharges will be part of the consolidated fund of India.

All the amount from such an increase in tax shall be retained by the parliament and it is not shared

amongst the states.

The Article has its basis to Section 137 and Section 136(1) of the Government of India Act, 1935.

Further, no authority has the power to prevent the Parliament from imposing a surcharge.

In the case of Ved Vyas Chawla vs The Income Tax Officer, 1964 Allahabad High Court while deciding upon a writ petition questioned the imposition of an additional surcharge being violative of Article, the court observed as follows:

The court held that the word “at any time” used in the article is very significant. This empowers the government to levy a surcharge from time to time. That is if the parliament had imposed a surcharge in one shape does not prevent it to modify or impose the surcharge in another form in order to meet the changing needs.

The parliament can even levy a surcharge only on a particular class as well and not overall public in general. But it is essential the particular class must have some real and substantial difference from the rest of the others. Further, it is also necessary that the act of imposition of the additional surcharge must have a reasonable nexus with the objects it sought to achieve.

Article 279 A- GST Council

Article 279A empowers the president of India to constitute a Council named Goods and Services Tax Council (GST Council) within 60 days after the commencement of the 101st Constitution Amendment Act, 2016.

Objective

It shall seek to ensure a uniform system of GST to avoid any conflict or confusion, and the development of a harmonized national market for goods and services.

Composition of GST Council

The members of the council will be as follows:

- The Union Finance Minister of India will serve as the chairperson of this council.
- The respective states will nominate the State Finance Ministers/ or any other Minister as the member of the council.
- The Union Minister of State in charge of revenue or finance will also be a member of this council.
- The representatives of the states shall choose amongst themselves one “Vice-president”.

Quorum and powers

The council shall meet from which one half of its member will constitute a quorum, which will have the power to make decisions on the following listed matters:

Threshold exemption limit i.e. the turnover below which goods and services will be exempted from GST.

Rate of GST to be levied, and special provisions with respect to the states of Arunachal Pradesh, Jammu and Kashmir, Assam, Meghalaya, Manipur, Nagaland, Mizoram, Sikkim, Tripura, Himachal Pradesh and Uttarakhand, categorised as special-category states.

Laws on the model of GST, rules for determining Inter-state supply transactions and determining

the place of supply or any other matter.

Further, the GST Council is also empowered to establish a mechanism to adjudicate any dispute between the Centre and the States or between any States.

Process of Decision-making

The decision shall be taken by at least three- fourth majority out of which:

- The vote of the Central Government will have one-third of the weightage.
- The vote of all the State Governments shall account for two-third of weightage.

Process of Ratification

Article 368 of the Indian Constitution has been amended to include Article 279 A within its ambit. It basically implies that to bring any amendments or modification to Article 279 A, ratification by a two-thirds majority of both the houses and half of the state legislatures will be required.

Conclusion

After making a comprehensive study on financial relations between the Centre and State through a detailed discussion over the various ways of distribution of revenues between the Centre and State, the subject matters mentioned in the three lists, various types of government funds in India, GST and its implications, the role of GST Council. We are in a position to draw out the following conclusion.

Undoubtedly, we can say that no state can afford to work without the active financial assistance of the central government. It is also an undeniable fact that Indian states do enjoy relatively a lower degree of economic independence as the dependence on the Centre is indeed much greater than any other federations in the world which can also be substantiated by considering the following points:

First and foremost, that state does not have power under the constitution to obtain any foreign assistance and any foreign assistance which is quite massive is channelised through the central government. So any decision regarding allocation of such assistance rests in the hands of the Union Government.

Secondly, there is no provision in the constitution which enables the states to sign any agreement with any international agency or organisation.

Thirdly, the Central Government has the power to bring any subject from the State to the concurrent list thereby depriving the former of many of its financial resources.

However, the future seems bright as the Finance Commission has always been very liberal and receptive to the demands of the states and giving recommendations on the distribution of taxes and other financial concerns like state borrowings and State debts etc.

ই-পেনশন

মিল্টন সাহা

২০১৩ ব্যাচ

পশ্চিমবঙ্গ রাজ্য সরকার কর্তৃক অর্থ দপ্তরের ১৬-১১-১৯৭৭ তারিখের ৯৭১৬-এফ নম্বর প্রস্তাবের ভিত্তিতে যে দ্বিতীয় পে কমিশন গঠিত হয়, তাঁরা রাজ্যের বিভিন্ন পৌরসভা ও কর্পোরেশন কর্মচারীদের অবসরকালীন সুযোগ-সুবিধা প্রদানের সুপারিশ করেছেন।

উক্ত সুপারিশ এর ভিত্তিতে ডিপার্টমেন্ট অব লোকাল গভঃ এবং আর্বান ডেভেলপমেন্ট এর মেমো নং : ১২/সি-৯/পি২ পি-৩/৮১ (১০৪)ই তারিখ : ১৬-০৪-১৯৮২ অনুসারে রাজ্যের সমস্ত পৌরসভা ও কর্পোরেশনে সর্বক্ষনের জন্য নিযুক্ত কর্মচারী যারা ১-০৪-১৯৮১ তারিখ বা তারপরে কর্মরত তাদের পেনশন সংক্রান্ত সুযোগ সুবিধা প্রদানের জন্য নবপ্রবর্তিত পেনশন প্রকল্প Model Pension Rule for the employees of Local Bodies চালু করা হয়।

বর্তমানে রাজ্য সরকার সফলভাবে ই-গভর্নেন্স ব্যবস্থার প্রবর্তন করেছে। আর এই ই-গভর্নেন্স ব্যবস্থার একটি সফল প্রচেষ্টা হল ই-পেনশন প্রকল্প।

পশ্চিমবঙ্গ রাজ্য সরকার এর ডিপার্টমেন্ট অব আর্বান ডেভেলপমেন্ট এবং মিউনিসিপাল অ্যাফেয়ার্স এর ২৮-০৯-২০২০ তারিখের নির্দেশনামা : 821/MA/N/C-2/1M-3/2017 ভিত্তিতে রাজ্যের সমস্ত পৌরসভার কর্মীদের পেনশন কেসগুলি অতি দ্রুত নিষ্পত্তি করার জন্যে সংশোধিত পদ্ধতি ই-পেনশন প্রকল্প চালু হয় এবং পরবর্তীতে ডাইরেক্টরেট অব পেনশন প্রভিডেন্ট ফান্ড এর নির্দেশনামা অনুসারে ৩১-০৮-২০২১ তারিখের পর যারা অবসর গ্রহন করেছেন বা করবেন তাদের বাধ্যতামূলকভাবে অনলাইনে ই-পেনশন পোর্টালের মাধ্যমে পেনশন এর জন্য আবেদন করতে হবে। এই ই-পেনশন প্রকল্প চালু করার ফলে পেনশনের আবেদন করা, পরীক্ষা করা, অডিট করা এবং চূড়ান্ত করার কাজ সহজ ও সরল হয়েছে।

পূর্বে পেনশনের পুরো প্রক্রিয়াটি সম্পন্ন হতো ম্যানুয়ালভাবে কিন্তু বর্তমানে ই-পেনশন প্রকল্প চালু হবার ফলে পুরো প্রক্রিয়াটি সম্পন্ন হচ্ছে অন-লাইনে।

এতে একদিকে যেমন সময়ের সাশ্রয় হচ্ছে তেমনি কাগজপত্রের ও সাশ্রয় হচ্ছে। বর্তমানে পেনশনের আবেদনকারী ঘরে বসে অতি সহজে পেনশন ফাইলের বর্তমান অবস্থান সম্পর্কে জানতে পারছেন এবং পেনশন ফাইল পাশ হয়ে পিপিও ইস্যু হবার পর পেনশনার নিজেই তার লগ-ইন আইডি ও পাসওয়ার্ড দিয়ে পি. পি. ও. ডাউনলোড করে নিতে পারবেন।

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E-mail : haas.association@gmail.com ♦ Website : www.audit-accounts-wb.org.in

To
The Hon'ble Chief Minister,
West Bengal

Subject: Proposal for creation of promotional avenues for the officers of WBA & AS.

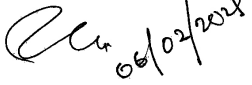
Respected Madam,

With due respect and submission, this is to invite your kind attention to the fact that benefits in post with Grade Pay of Rs.8,700/- as per ROPA Rule 2009 with effect from 01.12.2012 on completion of 25 years' of service to the officers of WBA&AS have been introduced. The similar benefit has also been extended to the other constituted state services and at present only there are thirteen number of sanctioned post with grade pay of Rs.10000/- available for promotional avenues to the officers of WB A & AS, resulting in officers of WB A&AS(1984 batch) languishing in scale no 19(ROPA Rules2009). More over the situation is very painful to note that a good numbers of senior officers of our cadre are working as Financial Advisors or Joint Secretaries in various departments but their pay structure are not in commensurate with their seniority as well as the duties and responsibilities associated with their post. Basically they are stagnant in terms of pay structure. This is equally applicable in respect of the officers holding grade pay of Rs. 7600 (ROPA rules 2009) working in various departments. As a result, the distribution of post in the pay structure is not pyramidal. In order to bring parity as well as to create pyramidal structure in the distribution of post, the following proposal is placed before your honor for kind consideration:

- 1) At least 4% (four percent) out of the total cadre strength of 1393 may be earmarked for scale no. 21 (grade pay of Rs 10000 – ROPA rules 2009)
- 2) Third higher scale, that is, scale no. 19 (grade pay of Rs 8700 – ROPA rules 2009) maybe granted on completion of 20 years of service instead of 25 years.
- 3) Second higher scale that is scale no. 18 (grade pay of Rs 7600 – ROPA rules 2009) maybe granted on completion of 14 years of service instead of 16 years.

In view of the above, a little action from your end will definitely boost up the morale of the officers of WBA&AS in particular to the officers posted in the Financial Advisory System, whereas there will be very meagre financial implication.

With kind regards


06/02/2012

General Secretary

WB Higher and State Audit & Accounts Service Association

Secretary
Higher and State Audit & Accounts
Services Association, W.B.

HIGHER AND STATE AUDIT & ACCOUNTS SERVICES ASSOCIATION

WEST BENGAL

Registration No. S/39326 of 1982-1983

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To
The Principal Secretary,
Finance Department
Government of West Bengal,
NABANNA, Howrah-711102

**Sub: Proposal for enhancement of post in rank of Special Secretary &
Joint Secretary**

Respected Sir,

At the outset, we would like to express our gratitude to the State Government for appraising the performance of West Bengal Audit & Accounts Service Cadre officers in the field of financial administration, policy implementation & e-governance.

Paradigm shift in financial administration was observed with creation of posts of Financial Advisor (FA) in the year 2012. With the passage of time, at present all posts of Financial Advisors, except one, are being manned by WBA&AS Officers. Since inception, FA posts were mostly manned by the officers in the rank of Joint Secretary and a few in the rank of Special Secretary.

It may be stated that only 13 posts in the rank of Special Secretary and 21 functional posts in the rank of Joint Secretary are existing in the cadre of 1412 posts of WBA&AS.

It may be further stated that the higher posts in the Departments with same seniority of FA had been upgraded to Additional Secretary/ Special Secretary level. It is needless to mention that Financial Advisors are integral part of upper strata of Departments taking vital decisions and having day to day interactions among them. However, 44 FA posts out of 51 are being manned by the officers of Joint Secretary level of WBA&AS Cadre. Such disparity of rank among the officers with similar seniority and responsibilities is becoming

demotivating for FAs to discharge day to day assignment. Similarly, such disparity is apparent in the posts of Directorates also in want of sufficient posts in the rank of Special & Joint Secretary level. Many officers with seniority of Additional Directors are posted as Joint Directors due to non-creation of senior posts.

Considering the above aspects, we would request you to kindly consider the following proposals:

a. to upgrade 44 posts of WBA&AS cadre, in addition to existing 13 posts, to the rank of Special Secretary to man the posts of Financial Advisors and higher posts in Directorates to keep parity of seniority with other higher-ranked officials of the Departments and Directorates.

b. to upgrade 150 functional posts in the rank of Joint Secretary considering of seniority of the officers as the feeder posts to the post of Special Secretary.

We hope that Government would consider our proposals and same would eliminate the stagnation & humiliation faced by the senior officers of WBA&AS Cadre and motivate them to undertake more responsibilities with exuberated enthusiasm for implementation & execution of financial discipline in the State.

Yours Sincerely,

Partha Chakrabarty
25/11/2014

(General Secretary)

Secretary
Higher and State Audit & Accounts
Services Association, W.B.

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To

Sri K. A. Anwar, IAS

Joint Secretary

Gr. T (WBA&AS Cell)

Finance Department,

Government of West Bengal

Subject: Request for publication of result for Half-Yearly Departmental Examination December, 2019 and immediate arrangement for Half-Yearly Departmental Examination pending since June, 2020.

Sir,

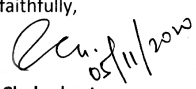
I would like to inform you that the Half-Yearly Departmental Examination of West Bengal Audit and Accounts Services (WBA&AS) are usually held in the month of June and December every year. The last examination was held in the month of December, 2019, but till date the result has not yet been published. Annual increments of some of the Officers have been held up due to non-publication of the result by PSC, WB. Further the Departmental Examination for June, 2020 has not yet been conducted by PSC, WB and notification for upcoming December, 2020 Departmental Examination has not yet been published till date.

Administrative Training Institute (ATI), WB has recently issued a Notification vide No. 140/ATI-19011/1/2020 dated 16.10.2020 that the Half-Yearly Departmental Examination for IAS and WBCS (Exe) officers will be held from 15th to 18th December, 2020 at different districts of West Bengal. And for the officers who are posted in the Secretariat and Directorates in Kolkata the Examination will be held in ATI.

Under these circumstances you are requested to kindly take up the matter with PSC, WB regarding immediate publication of the result of the Half-Yearly Departmental Examination of West Bengal Audit and Accounts Services held in December, 2019 and also to conduct the next Departmental examination at the earliest at different districts for the Officers posted in Districts and Sub-division level and for the others at PSC, WB. The next Half-Yearly Departmental Examination may be treated as Half-Yearly Departmental examination of June, 2020.

Thanking you,

Yours faithfully,


Partha Chakraborty
(General Secretary)

Secretary
Higher and State Audit & Accounts
Services Association, W.B.

HIGHER AND STATE AUDIT & ACCOUNTS SERVICES ASSOCIATION

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Memo No. AGM/12/2021

Date: 30th November, 2021

APPOINTMENT OF ELECTION OFFICERS

In terms of the resolution adopted in the Meeting of the Executive Body of the Higher and State Audit & Accounts Services Association, West Bengal held on 11/09/2021 the following members of the Association are hereby appointed to conduct the Election to the Executive Body for the period 2021-23 scheduled to be held on 08/01/2022.

<u>Sl. No.</u>	<u>Name & Designation</u>	<u>Appointed as</u>
1.	Sri Indra Nath Kundu, Special Secretary, Finance Dept(Gr-N)Nabanna, Howrah West Bengal	Chief Election Officer
2.	Sri Manas Hazra, Assistant Secretary, Finance Dept(Budget)Nabanna, Howrah, West Bengal	Joint Election Officer
3.	Sri Subrata Saha , Assistant DTA Directorate of Treasuries & Accounts, Kolkata, West Bengal	Joint Election Officer
4.	Sri Soureeya Das, IAO & OSD e-gov Cell, Finance Dept, Howrah West Bengal	Joint Election Officer
5.	Sri Arpan Das, IAO & OSD Finance Dept(Budget), Nabanna, Howrah, West Bengal	Joint Election Officer

The appointed members are requested to take up their assignment immediately.

Rev. 30/11/2021
(Partha Chakraborty)
General Secretary

Copy forwarded to:

1. Sri Indra Nath Kundu, Special Secretary, Finance Dept(Gr-N), Nabanna, 11th Floor, Room No. 1102, Howrah, West Bengal, Pin-711102
2. Sri Manas Hazra, Assistant Secretary, Finance Dept (Budget), Nabanna, 11th Floor, Room No. 1112, Howrah, West Bengal, Pin-711102
3. Sri Subrata Saha , Assistant DTA, Directorate of Treasuries & Accounts, West Bengal, Kolkata-700001
4. Sri Soureeya Das, IAO & OSD, e-gov Cell, Finance Dept, Nabanna, 12th Floor, Room No.1204, Howrah, West Bengal, Pin-711102
5. Sri Arpan Das, IAO & OSD, Finance Dept (Budget), Nabanna, 11th Floor, Room No. 1112, Howrah, West Bengal, Pin-711102

Rev. 30/11/2021
(Partha Chakraborty)
General Secretary

HIGHER AND STATE AUDIT & ACCOUNTS SERVICES ASSOCIATION WEST BENGAL

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Memo No. Secy/3/2018

Dated: 07/06/2018

To
The Principal Secretary,
Personnel & Administrative Reforms
And e-Governance Department
Government of West Bengal,
Nabanna, Howrah

Sub: - Request for review of marking pattern in Hindi & Bengali papers in Departmental Examination

Ref: - Your Notification No. 130-PAR(TRG)/HR/O/BT-94/2014 dated 15/06/2017

Sir,

I would like to draw your kind attention to above referred Notification dated 15/06/2017 regarding change in rules and pattern of marking in Bengali and Hindi papers of Departmental Examination.

In the changed pattern of obtaining pass mark, it is stated that every examinee has to obtain pass mark for each question by scoring 50% of the assigned marks, instead of earlier system of obtaining 50% of overall marks of the paper.

It has been noticed from the recently published result of Half-yearly Departmental Examination for officers of West Bengal Audit & Accounts Service that many officers have obtained 50% marks on overall paper of Hindi or Bengali; but they were unable to pass the examination as they obtained less than 50% marks in one or few questions. It is discernible that officers are capable to secure 50% of total marks of Hindi & Bengali papers; however it is becoming quite difficult for them to obtain 50% on each & every question.

In this circumstance considering the hardship faced by the officers in the changed scenario even after obtaining 50% of total marks, I would request you to review the changed pattern of obtaining pass mark in Hindi & Bengali papers of Departmental Examination and restore the earlier pattern of pass mark of 50% on total marks instead of pass mark on individual questions.

Encl: As referred.



Yours faithfully,

(Partha Chakraborty)
General Secretary

The



Kolkata **Gazette**

सत्यमेव जयते

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WEDNESDAY, JUNE 24, 2020

[SAKA 1942

PART I—Orders and Notifications by the Governor of West Bengal, the High Court, Government Treasury, etc.

GOVERNMENT OF WEST BENGAL
Department of Personnel & Administrative Reforms
Training Cell
State Secretariat, Nabanna, 7th Floor,
325, Sarat Chatterjee Road, Howrah-711 102

NOTIFICATION

No. 55 - PAR (Trg)/HR/O/3T -94/2014, dated, Howrah, 1st day of June, 2020.— In exercise of the power conferred by the proviso to article 309 of the Constitution of India, the Governor is pleased hereby to make, with immediate effect, the following amendments in the Services (Training and Examination) Rules, West Bengal, published with the Finance (Audit) Department notification No. 845 - F, dated the 19th March, 1953 as subsequently amended (hereinafter referred to as the said rules):—

Amendments

In the said Rules, —

- (1) for CHAPTER III and the entries relating thereto, *substitute* the following Chapter and the entries relating thereto:—

"CHAPTER III

Rules for the Departmental Examination in Bengali

1. The examination in Bengali shall be held in two parts, namely, Part - I written, and Part - II oral. Candidates passing in one part shall be exempted from further appearing at the same part.
2. Details regarding the two Parts of the examination are given below:—

Details of Subject	Time	Full Marks	Pass Marks
Part I - Written			
(a) Dictation from prescribed text books	10 minutes for dictation and 5 minutes for revision	15	7½

Details of Subject	Time	Full Marks	Pass Marks
Part I - Written			
(b) Translation from English into Bengali	1 hour 45 minutes	10	22½
(c) Translation from Bengali into English		10	
(d) Letter writing - (of an official type)		10	
(e) Comprehension		10	
(f) Construction of sentences		05	
		45	
Part II - Oral			
(a) Test for reading skill in Bengali		15	
(b) Group Discussion		15	
(c) Question-Answer session/ Conversation in Bengali		10	
		40	20

The following books are prescribed for the examination:—

- (i) Short stories of Rabindranath Tagore [*Dena Paona*, *Chhuti*, *Jagneswarrar Jagnya*, *Sampatti Samarpan*].
- (ii) Poems— [*Birpurush*, *Bharat Tirtha* by Rabindranath Tagore and *Lichu Chor* by Kazi Nazrul Islam].
- (iii) Novels— [*Palli Samaj* by Sarat Chandra Chattopadhyay, *Chander Pahar* by Bibhuti Bhushan Bandyopadhyay].
- (iv) Drama— [*Lakshmaner Shaktishel* by Sukumar Ray].
- (v) Non-fiction – [*Vidyasagar Charit (Swarachit)*].

Apart from Bengali newspapers, the following books and publications are recommended as help to the study of Bengali Language:—

- (i) Terminology to be used in the Public Service by the Government of West Bengal.
(*Paribhasa Samkalan*: Prashasan by Paschimbanga Bangla Academy).
- (ii) Bangla Vyakaran by Jagadish Ghosh and Anil Ghosh (for Class VIII).

N. B.— The Public Service Commission, West Bengal, shall constitute a Board of three examiners to conduct the Part II examination in Bengali.";

- (2) for CHAPTER IV and the entries relating thereto, *substitute* the following chapter and the entries relating thereto:—

"CHAPTER IV

Rules for the Departmental Examination in Hindi

1. The examination in Hindi shall be held in two parts, namely, Part- I written and Part- II oral. Candidates passing in one part shall be exempted from further appearing at the same part.
2. Details regarding the two Parts of the examination are given below:—

Details of Subject	Time	Full Marks	Pass Marks
Part I - Written			
(a) Dictation from prescribed text books	10 minutes for dictation and 5 minutes for revision	15	7½

Details of Subject	Time	Full Marks	Pass Marks
Part I - Written			
(b) Translation from English into Hindi	1 hour 45 minutes	10	
(c) Translation from Hindi into English		10	
(d) Letter writing - (of an official type)		10	
(e) Comprehension		10	
(f) Construction of sentences		05	
		45	22½
Part II - Oral			
(a) Test for reading skill in Hindi		15	
(b) Group Discussion		15	
(c) Question-Answer session/ Conversation in Hindi		10	
		40	20

The following books are prescribed for the examination:–

- (i) Short Stories of Munshi Premchand – [*Kafan, Panch Parameswar, Do Bailon Ki Katha, Poush Ki Raat*].
- (ii) Poems – [*Madhusala* by Dr. Haribans Rai Bachchan].
- (iii) Non-fiction [*Atmakatha* by Rahul Sankritayan].
- (iv) Drama – [*Charandas Chor* by Habib Tanvir].

Apart from Hindi Newspapers, the following books and publications are recommended as help to the study of Hindi Language:–

1. Candidates are advised to listen to the news broadcasts in Hindi by the All India Radio and the *Doordarshan*.
2. *Kritika* - Part I (NCERT).
3. Any Hindi Grammar Book of Class VII and Class VIII.
4. Sample Terminology - uploaded in the website of Public Service Commission, West Bengal.

- N. B.** – (i) The Public Service Commission, West Bengal shall constitute a board of three examiners to conduct the Part II examination in Hindi.
- (ii) Rules for departmental examination in Hindi shall not be applicable to IAS officers."

By order of the Governor,

ARNABROY
Principal Secretary to the Government of West Bengal