

## **Note on Workshop on Tax Deducted at Source**

### **Background**

**Bangalore Chamber of Commerce and Industry (BCIC) organised a Workshop on TDS on 27<sup>th</sup> November 2009 in which the Commissioner of Income-tax (TDS) and Commissioner of Income-tax (International Tax) participated. The workshop was well attended with more than 120 delegates.**

**The workshop began at 10 AM with an introductory remark by the Chairman of Expert Committee on Direct Taxes, Shri K.R.Sekar- Partner, Deloitte Haskins & Sells. During his opening remarks, Mr.Sekar highlighted on the practical issues faced by Tax Deductors and also issues on compliance. He stressed the need for more interaction and assured the Government Officials that BCIC will always act as a facilitator and also advise all the its members to be on the right side of the law. He drew the significance of recent Karnataka High Court ruling in Samsung and highlighted the practical issues arising out of this. He also pointed out the difficulties faced by tax payers on the delay in introduction of perquisites circular and also requested clarity on TDS on contract manufacturing which is effective from 1<sup>st</sup> October.**

**This was followed by a Presentation by Mr.Krishnan Narayanan-Partner BSR & Co who highlighted on the practical issues on TDS related to foreign payments. He also dwelt on the Samsung ruling and explained at the practical issues being faced by the tax-payers and stressed the need for more interaction with revenue authorities on a timely basis. He further highlighted other practical issues including refunds due to cancellation of contracts and procedural issues including levy of tax due to non-availability of PAN number.**

**Mr.A K Agarwal, Commissioner for International Taxation started his presentation by congratulating Bangalore circle of Income-tax department for crossing the revenue targets and he also thanked the tax-payers for their cooperation. During his presentation, he explained the importance of withholding tax under section 195 and also explained the scope of 195. He cautioned the tax payers not to adopt an aggressive approach on TDS obligations and advised the tax payers to adopt a right approach. Further he also assured to resolve any issues and requested BCIC to come with any points which he said he will take with CBDT.**

**This was followed by presentation by Mr.Ajay Rotti of BMR& Co on TDS on domestic payments. Mr.Rotti highlighted the issues on domestic payments including the latest circular on professional charges and also highlighted the new provision on contract manufacturing.**

**This was followed by presentation by Mrs.Archana Choudhary, Commissioner of Income Tax TDS and during her presentation she assured that she would take up all relevant issues put forth by the Industry with their apprehensions with CBDT officials.**

**This was followed by an effective interactive session and the workshop was concluded with Mr.Sekar proposing the vote of thanks.**

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