

**DELHI DEVELOPMENT AUTHORITY**

**(FINANCE & EXPENDITURE)**

O. O. No. 59


Dated: 21.7.16

**OFFICE ORDER**

Recently, it has come to the notice that Gross Salary appearing in the Form 16(Part B) issued by DDOs is not matching with the Form 16(Part A) Traces, out sourced from tax consultants. The issue was examined in detail and it was observed that while forwarding the data to tax consultants for the purpose of filing the quarterly income-tax return, components like DA, Honorarium, tuition fees and 10 days leave encashment at the time of availing the LTC are not added therein.

Hence forth from current financial year 2016-17, it may be ensured that complete data is forwarded to the tax consultants. An advisory dated 19.7.2016 sent by M/s. Arvind Kumar Jain & Co. is being enclosed herewith for strict compliance.

Encl: As above.

  
21/7/16  
Chief Accounts Officer

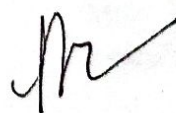
Delhi Development Authority

No. FE. 5(28)/2016/DDA/432

Dated: 21.7.2016

Copy to:

1. P.S. to VC/FM/CVO/Pr. Commissioner;
2. All Commissioners/CLA;
3. All Chief Engineers/OSD(Sports);
4. FA(H)/Director(LC);
5. All Dy.CAOs/DY.FA(H)-I&II
6. All DDOs;
7. Notice Board;
8. Guard file.

  
Accounts Officer (F&E)





**ARVIND KUMAR JAIN & CO.  
CHARTERED ACCOUNTANTS**

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To  
The Chief Accounts Officer  
Delhi Development Authority  
Vikas Sadan  
New Delhi: 110023

Date: 19/07/2016

Dear Sir,

Sub: - Advisory regarding compliance of circular no. 20/2015 dt. 02<sup>nd</sup> December, 2015 and our observations notices during preparation and filing of TDS Returns.

We take the pleasure to state that we have been successfully filing returns of TDS from F.Y.2012-13 of various Units/CAU/Divisions/Zones of D.D.A. In this process we have confronted many discrepancies, mistakes and errors committed by the staff of D.D.A. which we have explained time to time and now we would like to bring in your kind notice so that such mistakes may not be repeated. Also Ministry of Finance has issued a circular no. 20/2015 dt. 02/12/2015 which should be adhered to to avoid such discrepancies and mistakes as observed by us.

Our Observation/suggestion regarding TDS returns under Income Tax Act 1961 are as under:-

**1.) PAN No.:**

Correct PAN No. of the deductee is not provided to us. In many cases PAN No's. are missing. Wherever PAN is not available, TDS has to be deducted @ 20 % in place of 2% or 10% as the case may be. Also it is expected from DDA staff to provide us (Tax Consultant) correct PAN in the record against each employee or contractor.

**2.) Assessment Year:**

We have found that on many Challans of Tax deposited wrong Assessment Year has been mentioned. The Correct assessment year should be mentioned on challans to take the credit of tax deposited in the year it is meant for.

**3.) T.D.S. on Salary:**

Under Section 192 of the Income Tax Act 1961 TDS has to be deducted monthly on the average basis after allowing the deductions under chapter VI A of the Income Tax Act and shall be deducted at the time of each payment. It has been observed that TDS in most cases is deducted at the end of final calculation i.e. in month of January and February. This results in non-compliance of provision of Section 192 and also mismatch in Gross salary in Part-A and Part-B of Form 16.

Contd. on.....2

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It is observed that gross salary provided to us in monthly data is arrived at after deducting T.A. and FCA/FTA. But Gross salary should include all allowances and perquisites exempt under section 10 and without any deductions under Chapter VI-A of Income Tax Act, 1961

**4.) Rates of TDS for F.Y. 2016-17**

- (i) From salaried persons, 1. Tax plus addl. Cess @ 3% has to be deducted monthly on average basis if the estimated Taxable Salary including all perquisites and allowances during Financial Year exceed the threshold limit of Rs. 2,50,000/-
- (ii) On payment to Contractor if the total payment credited or paid exceeds Rs. 30,000/- TDS has to be deducted:
  - a) At the rate of 1% if the payment is made to any Individual or H.U.F. and
  - b) At the rate of 2% if the payment is made other than individual or H.U.F.
- (iii) On payment to professionals and persons employed on contract basis. Income Tax @ 10 % should be deducted straight forward.

**6. Format of Information:-**

(a) We are providing here under a desirable format to furnish the information for preparation of TDS return of Contractors :-

**1.S.No. 2. Contractor's Name 3. PAN 4. Amount Credited 5.TDS Amount**

(b) We are providing here under the desirable format to furnish the information for preparation of TDS return of salaried person :-

**1.S.No. 2.Employee Code 3.Employee Name 4 Designation 5PAN 6.Gross Salary 7. TDS Amount**

- (c) It is significant that we have developed a excel based software for preparation of TDS data of Salaried employees which have been used by many Zones of DDA and which has saved time and energy of DDA staff and also reducing typing errors by staff of DDA.
- (d) In case of Professionals, the format to provide the information is same as that of (a) above. But the sheet for Professionals should be prepared separately from Contractors, because TDS rate of Professionals differs from that of Contractors.
- (e) Total of TDS column amount (as per formats mentioned in (a), to (d) should tally with the amount of challan of TDS deposited with the Government account.

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