From

Shri A. K. K. Meena, IAS
Principal Secretary to Government

To

All Departments of Government/
All Heads of Departments/
Chief Executives of State Public Sector Under takings.

Sub: Deduction of tax from salary by the DDOs of Government of Odisha

Sir,

In inviting a reference to the subject cited above, I am directed to say that the Commissioner of Income Tax (TDS), Bhubaneswar has intimated vide letter No. CIT (TDS)/BBSR/TDS u/s 192/2019-20/1812 dated 10.07.2019 that the DDOs have deducted TDS at lesser amount in initial months while deducting nearly 50% of the tax in the last month of Financial Year i.e. February 2019. The copy of the aforesaid letter along with the abstract showing month-wise total tax deducted from salary by DDOs of Government of Odisha during the financial year 2018-19 is enclosed herewith for reference.

This is in violation of the Income Tax provisions of section 192 of Income Tax Act. This will lead to the concerned DDO’s being penalized u/s 201(1A) by charging interest which will be a personal liability.

It is, therefore, requested to issue suitable instructions to all the Controlling Officers and Drawing & disbursing Officers/tax deductors (from salary) under your control for deduction of income tax at the average rate as per the provisions of section 192 of Income Tax Act to avoid penal consequences u/s 201(1A) in future.

Yours faithfully,

Principal Secretary to Government
Memo No. 29967, dated 15-07-2019
Copy forwarded to all Collectors for kind information and necessary action.

Memo No. 29968, dated 15-07-2019
Copy forwarded to the Director of Treasuries & Inspection (O), Bhubaneswar for kind information and necessary action. It is requested to host the letter in the website of IFMS for information of all concerned.

Memo No. 29969, dated 15-07-2019
Copy forwarded to all Treasury Officers of District Treasuries and Special Treasuries/ Sub-Treasury Officers for information and necessary action.

Memo No. 29970, dated 15-07-2019
Copy forwarded to all Officers / Branches of Finance Department for information and necessary action.

Memo No. 29971, dated 15-07-2019
Copy forwarded to the Executive Director, CMGI, A-2 First Floor, Toshali Bhawan, Satyasnagar, Bhubaneswar for kind information. It is requested to kindly host letter in the website of HRMS for information of all concerned.

Memo No. 29972, dated 15-07-2019
Copy forwarded to Head Portal Group, Central Computing Facility, Secretariat, Bhubaneswar for information and necessary action. He is requested to host the letter in the website of Finance Department.

Under Secretary to Government
No. CIT(TDS)/BBSR/TDS u/s 192/2019-20/
Dated, Bhubaneswar the 10th July 2019.

To

The Principal Secretary,
Finance Department,
Govt. of Odisha,
Secretariat, Bhubaneswar.

Sir,

Sub: Deduction of tax from salary by the DDOs of Govt. of Odisha-average rate-matter regarding.

Kindly refer to the above.

I may kindly bring to your attention that total tax deducted by the DDOs of Govt. of Odisha and deposited by book adjustment during the Financial Year 2018-19 was Rs.479,87,09,228/- . The detail of tax deposited is enclosed at Annexure-1. On verification of TDS details it is seen that the DDOs are deducting TDS at lesser amount in initial months while deducting nearly 50% of the tax in the last month of Financial Year i.e. February 2019. Average TDS considering total deposit of last financial year comes around Rs. 40 crores. For the month of March 2019 (Accounts for April 2019) the DDOs have deducted and deposited only 13 crores.

This is in violation of the Income Tax provisions of section 192. This will lead to the concerned DDO’s being penalized u/s 201(1A) by charging interest which will be a personal liability.

While this trend is being noticed in the case of almost all DDOs of Govt. of Odisha, some of the cases are highlighted in the Annexure.

Therefore, it is requested that the DDOs may kindly be advised to deduct tax at the average rate to avoid penal consequences in future.

Yours faithfully,

A. K. Mohapatra
Commissioner of Income Tax(TDS)
Bhubaneswar

Enc: As above.
## Total tax deposited from Salary by DDOs of Govt. of Odisha during F.Y. 2018-19

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<th>Salary month from which TDS made</th>
<th>Accounts Month</th>
<th>Tax Deposited as reported by AG</th>
<th>Total Tax Deposited</th>
<th>% of total</th>
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Total: 4798709228