

**DELHI STATE INDUSTRIAL AND INFRASTRUCTURE DEVELOPMENT CORPORATION**  
**LIMITED (TAXATION CELL)**

No. DSIIDC/TAXATION/I. Tax/2018-19/1193

Dated: 26/03/2019

**CIRCULAR**

Tax deduction provisions under Income Tax Act requires that Tax has to be deducted at source by payer when amount is paid or credited to the account of the Payee whichever is earlier. When the amount is credited to Suspense account or any account by whatever name called, then it is treated as amount credited to the account of the payee and tax has to be deducted at source. Hence, Tax has to be deducted at source even on provisions made in the books of accounts to which TDS provisions are applicable.

2. TDS deducted in the month of March shall be paid to the credit of the Central Government on or before 30<sup>th</sup> day of April.

**3. Failure to deduct TDS attract:**

(i) Disallowance of expenditure u/s. 40(a)(ia) on which TDS not made while computing income under normal provisions;

(ii) Levy of interest under section 201 (IA) at the rate of One and Half Percent or part of the month for the period of delay in deduction and/or deposit of TDS;

(iii) Levy of Penalty under section 271C for failure to deduct TDS.

**4. In view of above provisions, all the divisions are requested to :**

- (i) Account for(Book) all the expenses related to financial year 18-19 in the same financial year.
- (ii) Deduct TDS at applicable rates on the liabilities booked for FY 18-19.
- (iii) Deposit TDS so deducted to the credit of Central Government by 30<sup>th</sup> April 2019.
- (iv) Send the details related to TDS return for the period from 1<sup>st</sup> Jan 2019 to 31<sup>st</sup> Mar 2019 (Q4) in form 26Q complete in all respect to Taxation division latest by 7<sup>th</sup> May 2019.

5. All the concerned officers are advised to strictly adhere to above provisions failing which the concerned officer will be held responsible.

  
(Vichitra Verma)  
DAO(Tax)

1. CAO(Works)
2. CAO(IMFL)
3. CAO(RL)
4. All Associate Finance

**Copy to:**

- (i) PS to Director(Finance)
- (ii) All Divisional Heads
- (iii) CAO (HQ)
- (iv) DM(IT) for uploading on website