

**DIRECTORATE OF TREASURIES AND ACCOUNTS
TELANGANA STATE:: HYDERABAD**

Memo No.F2/609/2015

Dt:19.10.2024.

Sub: Public Services - T & A Department - Compliance with Section 192(1) of the Income Tax Act Regarding TDS Deductions -Instructions issued-Reg

Ref:1)This office U.O.Note No.E2/1786/2022 Dt.22.06.2024 .

Kind attention of the JD,PPO,Hyderabad,DDs/DTOs in the State is invited to the reference cited wherein, the PAG.(A&E),TG,Hyd have raised objection regarding non deduction of Income Tax at source every month by the DDOs.

In this connection, the JD,PPO,Hyd, and all the DDs/DTOs in the State are brought to attention the statutory provisions of Section 192(1) of the Income Tax Act concerning the timely deduction of Income Tax at Source (TDS) from employee salaries.

As per Section 192(1), any person responsible for paying salaries must deduct Income Tax at the average rate based on the estimated income of the employee for the financial year. It is imperative that this deduction occurs monthly, rather than in the last quarter of the financial year, which has been observed during inspections of Pay Bills submitted by various Drawing and Disbursing Officers (DDOs).

It has come to the notice that many DDOs are not complying with this requirement, leading to TDS deductions being made primarily in January, February, and March. This practice not only violates Section 192 but also exposes DDOs to potential interest charges under Section 201(1A) at the rate of 1% per month on any late deductions.

It is to emphasize that while DDOs are indeed responsible for the accurate deduction of TDS from employee salaries, the role of the Treasuries is equally crucial in ensuring compliance with all relevant rules and provisions of the Income Tax Act. The Treasuries serve as a supervisory body that monitors and facilitates adherence to statutory requirements, thus playing an essential role in the overall governance of financial processes.

This change will not only ensure compliance with the law but also minimize the chances of improper claims being processed in the final months of the financial year.

Hence all the Treasury Officers are requested to monitor salary bills to align with the Income Tax provisions effectively and requested to issue necessary instructions to all the DDOs under your jurisdiction to ensure that TDS is deducted at the average rate every month.

Sd/-K.SRC.Murthy
Director of Treasuries and Accounts

To
The Joint Director,Pension Payment Office,Hyderabad(Through FTP).
All the Deputy Directors/District Treasury Officers in the Telangana State(Through FTP).


for Director of Treasuries and Accounts