

कार्यालय: रक्षा लेखा प्रधान नियंत्रक

Office of the Principal Controller of Defence Accounts

सं. 107, लोअर अग्रम रोड , अग्रम पोस्ट , बेंगलूर - 560 007

No. 107, Lower Agram Road, Agram Post, Bangalore – 560 007

फोन नं./Phone No. - 2554511, 25549746

फैक्स नं./Fax No. – 25543810

PCDA WEBSITE - www.pcdablr.gov.in

**IMPORTANT CIRCULAR**

No.Pay Tech/2911/IT/Corr/Vol-V

Dated 03/10/2016

To

The Officers Commanding / O I/C,

All the units/formations under the audit jurisdiction of this office.

Sub: Deduction of Tax at source from salary in respect of Defence Civilians

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Section 192 of Income Tax Act, 1961 entails that every employer should deduct income tax at source in monthly installments from the salaries disbursed by him and final adjustment being made from the last salary payable before the end of financial year i.e., February.

2. On behalf of the employer, the designated Drawing and Disbursing Officers of all units are required to ensure that income tax in respect of the civilians working in their units are correctly assessed and recovery effected through monthly pay bills in installments commencing from the month of April every year. However, it is observed that most of the units are not effecting recovery of income tax in respect of civilian officers and staff serving in their units.

3. Further, past experience reveals that elements like reimbursement of tuition fee, encashment of EL on LTC, arrears of pay and allowances etc., (which are taxable) are not reckoned while calculating income tax resulting in reworking the IT recovery by the audit authority. It is therefore impressed upon all the concerned that these taxable elements are duly taken care of and correctly reflected in the income tax recovery.

4. It is reiterated that the onus to assess correct tax liability and recover the tax rests with the employer i.e. heads of the units/formations. All the units are advised to take immediate action to assess correct tax liability for the year 2016-17 (Assessment Year 2017-18 and effect recovery towards IT from Regular Pay Bills immediately (if not started already). It is also requested that statement of tax calculation duly countersigned by the DDO supported **by proof of savings may be forwarded to this office for verification by 30<sup>th</sup> November 2016 positively.**

5. Receipt of this Important Circular may please be acknowledged.

  
Asst. Controller (Pay)

Copy to:


Officers in charge

Civ Pay – I, II, III & IV Local

For information and necessary action

OA Cell, Local

For uploading on the website.

  
Sr. Accounts Officer (Pay)