



सत्यमेव जयते

**SUSHIL CHANDRA**Chairman, CBDT &  
Special Secretary to the Government of India

भारत सरकार

**GOVERNMENT OF INDIA**

(वित्त मंत्रालय/ राजस्व विभाग)

Ministry of Finance/Department of Revenue

केन्द्रीय प्रत्यक्ष कर बोर्ड

Central Board of Direct Taxes

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Dated the 8<sup>th</sup> February, 2017.

Dear Principal Chief Commissioner of Income Tax,

**Subject: Measures for enhancing revenue collections through Tax Deduction at Source (TDS).**

On review of the progress of TDS collections it is noted that as on 31.01.2017, an amount of Rs.2,85,082 crore has been collected as TDS at a growth rate of 14.79% over corresponding period of last financial year.

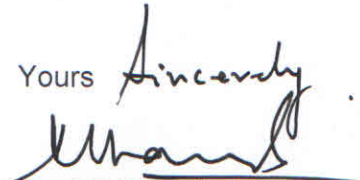
2. The Board has an internal target of Rs.3,50,000 crore for collections through TDS in order to achieve the overall direct tax collection target of Rs.8,47,098 crore, which remains unchanged in the Revised Estimates: 2016-17. Moreover, there are expectations for the TDS collections to significantly exceed the target so as to compensate for sluggish growth in Advance Tax and Regular Assessment Tax.

3. In view of the above, there is a need to step up efforts for enhancing TDS collections. More TDS surveys are required to be conducted to check large-scale non-deduction or under-deduction of tax at source as well as and more importantly, non-deposit of tax already deducted. All cases where the TDS payment by the deductor in the current year is more than 15% lower than the payments in the corresponding period of last year may be examined for possible spot verification or survey based on the compliance background of the deductor.

4. It is noted that the collections under Central Government TDS (CTDS) are not commensurate with the level of expenditure made by the Central Government on salaries, contract payments, etc. Moreover, tax deducted by the Central Government DDOs is not transferred to the tax account of the Central Government within the prescribed time and there are long delays, especially at the level of the State Accountant Generals. The CCIT (TDS)/ CIT (TDS) located at the State capitals are directed to ensure that there is proper deduction of tax at source by the Central Government offices located in the State and that the same is credited to the tax account forthwith and in any case, before the close of the financial year.

5. A report on the action taken in these matters and the results achieved may be sent to the Board by 28.02.2017.

With Best Wishes

Yours Sincerely  
  
 (Sushil Chandra)

All Principal Chief Commissioners of Income TaxCC: All Chief Commissioners of Income Tax (TDS)CC: Chief Commissioner of Income Tax (International Taxation)