

Office of the Director (Accounts)  
New Delhi Municipal Council  
New Delhi

"Most Urgent"

CIRCULAR

No.D/Director (Accounts)/ D-55/cBs /2011

Dated:-7-7-11

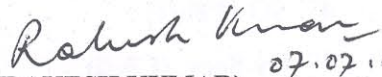
Subject:- Mandatory furnishing of PAN by the employees of NDMC-Stoppage of salary for the month of July,2011 in case of failure to.

In continuation to this office circular No. D/Director (Accounts)/D-782/CBS/2010 dated 29/12/2010 and subsequent reminders thereof, it has been observed that still about 600 employees (mostly Group 'C' & 'D' and contractual employees) have still not provided the copy of PAN to the Computer Billing Section. It is pertinent to clarify that this is a statutory requirement under Section 272 B of the Income Tax Act which specifically provides that if the payee fails to intimate his PAN/GIR Number to the person responsible to deduct tax or intimate false PAN, the assessing officer may impose a penalty of Rs. 10,000/- after giving opportunity of being heard to the defaulter. The PAN/GIR is also required to be quoted in all returns/statement and certificates relating to such TDS in fulfillment of requirement under Section 139A(5B) and therefore, intimation of correct PAN by all the NDMC employees is utmost necessary.

As per new provision of tax deduction at source (TDS) under the Income Tax Act 1961 effective from April 1, 2010, Assesseees will have to pay a higher income tax at sources, if they do not have a Permanent Account Number (PAN). The provision makes it mandatory for the Employer to deduct Income Tax at higher of the prescribed rate or 20 percent on all transactions liable to TDS, if the person liable to the tax does not possess a PAN. The Income Tax department has already made it mandatory for employers to quote PAN of their employees and parties from whom tax is deducted while filing TDS returns. Earlier relaxation was permissible, when such returns of filing TDS by the employer was accepted by the Income Tax Deptt., without PAN having been quoted in respect of the 5% of the total employees. But this relaxation has since been withdrawn. As such it has become mandatory for all the employees of the NDMC to obtain PAN from Income Tax Department and there is no relaxation to this statutory requirement from April 1/2010.

Accordingly, all the Head of the Deptts. are requested to issue strict instructions to the staff working under them specifically Group 'D' employees and Contractual employees to immediately furnish self attested Copy of PAN along with the Employee code No. to CBS latest by 15.07.2011 and if the same has not been got allotted by them this may be done immediately. In case of non compliance of this statutory requirement, salary of such defaulter officials for the month of July-2011 would not be drawn till such time they comply with the said statutory requirement.

This may be given Top Priority.

  
(RAKESH KUMAR) 07.07.11  
Director (Accounts), NDMC

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