

DELHI DEVELOPMENT AUTHORITY

[FINANCE AND EXPENDITURE]

F&E Circular No.03/2017

Sub: Regarding Payment of Income Tax on Nazul-II Lands.

As per provision contained in Section 22(1) of Delhi Development Act, 1957, the Central Government may, by notification in the Official Gazette and upon such terms and conditions as may be agreed upon between that Government and the Authority, place at the disposal of the Authority all or any developed and undeveloped lands in Delhi vested in the Union (known and hereinafter referred to as "Nazul Lands") for the purpose of development in accordance with the provisions of Delhi Development Act 1957.

2. Section 22(4) further provided that, if any Nazul Land placed at the disposal of the Authority under Sub Section (1) is required at any time thereafter by the Central Govt., the Authority shall, by Notification in the Official Gazette, replace it at the disposal of that Government upon such terms & conditions as may be agreed upon between that Government & the Authority.

Thus even after placement of Nazul Lands at the disposal of Delhi Development Authority, the title continues to vest with the Central Government and the Authority merely acts as Agency of the Central Government to deal with such land.

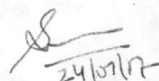
3. Section-196 of Income Tax Act, 1957 provides that no deduction of tax shall be made by any person from any sums payable to the Government.

4. Since, the Authority is collecting damages and other charges on the Nazul-II Land on behalf of the Government, these are not the income of the Delhi Development Authority and hence are not included in the Income and Expenditure of DDA.

5. Since, any payment to DDA for Nazul-II Land which includes land allotted to IGL or Petroleum Companies on license fee basis is a payment to the Government, TDS may not be deducted as per provision contained in Section-196 of the Income Tax Act, 1961 as referred to hereinabove.

6. Copy of the opinion provided by M/s S.K. Mehta & Co., Chartered Accountants and Tax Consultants to DDA is enclosed for ready reference and clarity.

This issues with the approval of Finance Member, DDA.


[Santosh Kumar]
Chief Accounts Officer

No. FE.98(18)/2015/DDA/50

Dated: 24-01-2017

Copy to:-

- (1) PS to VC/FM/EM/PCs for kind information of the latter;
- (2) All HODs;
- (3) Director (LC)/FA(H)/Director (Finance);
- (4) All Dy. CAOs;
- (5) Manager (LMA)/Sr. AO (Sports);


Sr. Accounts Officer (F&E)