

INCOME TAX ACT 2058

TAX DEDUCTION AT SOURCE (TDS)

“Paying tax is not just a legal responsibility, but also a matter of earning respect.”

HIS MAJESTY’S GOVERNMENT
MINISTRY OF FINANCE
INLAND REVENUE DEPARTMENT
LAZIMPAT, KATHMANDU

1. What is Tax Deduction at Source?

For a prescribed set of payments made in the course of business or employment or investment transactions, the Income Tax Act 2058 prescribes that tax (hence referred to as TDS) must be deducted at the time of payment made by the payer (hence referred to as TDS withholding agent) to the recipient (hence referred to as withholdee).

The TDS withholding agent transfers the TDS deducted to the Inland Revenue Department either in cash, or by cheque or draft, or through the bank.

In some cases TDS is treated as income tax paid by the TDS withholding agent on behalf of the TDS withholdee. It can therefore be claimed as a tax credit when filing income tax return and reduces the income tax liability.

2. From which payments and at what rate must TDS be deducted?

A. Remuneration payments

B. A resident person, when making remuneration payments to employees, must deduct TDS. TDS should be deducted at the time of payment and must be deducted at the rate given in Annex-1 of the Income Tax Act 2058.

For detailed information regarding TDS calculation on remuneration income, please refer to the brochure "Provision of Taxation for Remuneration Income in Income Tax Act 2058".

C. Interest payments, natural source payments, rent payments, royalties, service fees

A resident person, when making payments for interests, natural sources, rent, royalties or service fees, must deduct TDS at the rate of 15% of the payment. However, if interest is paid to an individual for a deposit, debenture or government bond, only 6% TDS must be deducted.

D. Retirement payments

➤ A resident person, when making retirement payments, must deduct TDS at the rate of 15% of the payment.

➤ When making lump sum retirement payments from HMG as well as approved retirement funds, must deduct TDS at the rate of 6% of the gain of the payment. The gain is calculated by deducting Rs 5 lakhs or 50% of the lump sum retirement payment, whichever is higher.

➤ When making retirement payment from unapproved retirement funds must deduct TDS at the rate of 10% of the gain of the payment.

E. Dividend and Investment insurance payment

A resident company, when distributing dividend to its beneficiaries, must deduct TDS at the rate of 5%. Similarly, an investment insurance company, when making payment to its beneficiaries, must deduct TDS at the rate of 5%.

F. General insurance premiums

A resident person, when paying out business related general insurance premiums, must deduct TDS at the rate of 1.5% of the insurance premium.

G. Business contracts

A resident person must withhold TDS at the rate of 1.5% of the contractual amount for contracts above Rs. 50,000.

Following Table clarifies the TDS payment and rates:

Description		Tax Rate
Remuneration		
Individual	Couple	
up to Rs.80,000 + Remote area allowance + Pension + Life insurance premium	up to Rs.100,000 + Remote area allowance + Pension + Life insurance premium	Exempted
Any excess up to Rs. 75,000	Any excess up to Rs. 75,000	15%
Any excess amount	Any excess amount	25% of excess amount + Rs. 11,250 (15% Of 75,000)
Nepal sourced interest, natural resource payment, retirement payment, rent, royalty and service fee		15%
Interest paid to an individual for deposit, debenture or government bond with no business relation		6%
Gain from lump sum retirement payment made from H.M.G. or approved retirement fund		6%
Gain from Nepal sourced retirement payment made by an unapproved retirement fund.		10%
Payment of Nepal source dividend by resident company		5%
Payment of Nepal source investment insurance gain by resident insurance company		5%
Payment of general insurance premium as a business activity by a resident person		1.5%
Payment for business contracts amounting to more than Rs. 50,000		1.5%

3. What are the types of TDS?

There are two types of TDS:

- A. Final TDS
- B. Non-final (or adjustable) TDS .

4. What are final and non-final TDS?

A. Final TDS

The TDS that is deducted from the payment by the TDS withholding agent cannot be used to reduce the income tax liability of the withholder.

The payment itself is not considered income of the withholder when calculating income tax. It is simply ignored when calculating the income tax liability of the withholder.

B. Non-final TDS

The TDS that is deducted from the payment by the TDS withholding agent can be used to reduce the tax liability of the withholder. The withholder claims non-final TDS as tax credits in Annex 10_(Form Income Tax-C-01-02-0960). Non-final TDS reduces the income tax payable (i.e. tax liability) of the withholder because it was paid by the TDS withholding agent on behalf of the withholder. The payment itself is considered income (or an inclusion) of the withholder when calculating the withholder's income tax liability.

5. Which payments are subject to final TDS?

- A. Payments of dividends by a resident company to its beneficiaries.
- B. Except if in conjunction with business operations, payment of rent for the lease of land or (part of) a building and its associated fittings and fixtures.

- C. Gain of payment made by a resident investment insurance company to an insured.
- D. Gain of payments made to resident persons from unapproved retirement funds.
- E. Payments made for interest on deposits to an individual (not related with business) by resident banks or financial institutions.
- F. Any of the above listed payments made to non-resident persons.
- G. Lump sum retirement payments made by HMG or an approved retirement fund to its beneficiaries.
- H. Payments made for meeting allowances, occasional teaching, preparing questions and checking of answer sheets.

6. Are there any prescribed forms issued by the IRD to be used by TDS withholding agents and withholdees with regard to TDS?

A. Withholding agents

- Form "Monthly Statement of Tax Withheld" (Form Income Tax-T-D-01-01-0361)
- Form "TDS Withholding Certificate" (Form Income Tax-T-C-01-01-0361)
Specimen of these forms and procedures for completing them can be found in Annex 1 of this brochure. Withholdees
- Form "Income Tax / Annex 10 / Tax Credits Claim" (Form Income Tax-C-01-02-0860)
- Prescribed forms can be found from Inland Revenue office or it can be downloaded from the IRD official website www.ird.gov.np.

7. When and where should TDS and TDS statements be submitted?

The TDS withholding agent must submit The "Monthly Statements of Tax Withheld" together with the TDS withheld to the concerned Inland Revenue Office until the 15th day of the following month.

8. When and where should tax credit claims be submitted?

To claim tax credits, the TDS withholdee must submit Annex 10 (Form Income Tax-C-01-02-0960) together with his income tax return.

9. When should TDS certificates be issued?

The TDS withholding agent should issue a TDS certificate (Form Income Tax-T-C-01-01-0361) within 15 days after the end of the month, when tax was deducted. But, in the case of remuneration, the employer should issue TDS certificate within 30 days after the end of income year. In the case, where employee has been terminated from the job, the employer should issue this certificate within 30 days after the termination.

Before issuing the TDS certificate, the withholding agent must pay the TDS to his Inland Revenue Office.

A specimen form and the procedures for completing it can be found in Annex-2 of this brochure.

10. What happens if the withholding agent does not issue a TDS certificate to the withholdee?

Without a TDS certificate, the withholdee will not be able to claim TDS credits to reduce his tax liability, since a TDS certificate is required in order to fill in Annex 10 (Form Income Tax-C-01-02-0860).

Therefore every withholdee should ask the withholding agent for a TDS certificate. TDS withholding agents are obliged to issue this certificate to the withholdee.

11. What are the consequences if a person has not deducted mandatory TDS from payments?

It is generally assumed that the TDS has been deducted where deduction is compulsory by law. It is primarily the obligation of the TDS withholding agent to deduct and pay the TDS. However, if the withholding agent fails to pay the TDS, both he and the withholdee are jointly or individually liable to pay the tax. If TDS was paid by the withholding agent but not yet deducted during the time of

payment, the TDS withholding agent is authorized to recover the TDS paid from the withholders.

12. What happens if the TDS withholding agent fails to pay TDS at the concerned Inland Revenue Office?

If the agent fails to pay the TDS within the prescribed period, the agent must pay 15% annual interest on the amount each month.

In addition, the concerned Inland Revenue Office is authorized to enforce the payment using all legal means of enforcement as described in the Income Tax Act 2002.

13. What will happen if the agent fails to submit a TDS statement to the concerned Inland Revenue Office?

If the agent fails to submit a statement (Form Income Tax-T-D-01-01-0361) until the 15th day of the months following the latest TDS payments, then the agent is liable to pay 1.5% interest per annum on the TDS.

A TDS statement need not be submitted for months in which no TDS was deducted.

14. Where can more information regarding TDS be found?

To get more information regarding TDS, contact the Inland Revenue Department or the nearest Inland Revenue Office. Additionally, Section 2, Chapters 16, 17, 20, 22, 23 and Annex 1 of the Income Tax Act 2058 contain detailed legal provisions relating to TDS.

Annex-1

Form Income tax-T-D-01-01-0361

MONTHLY STATEMENT OF TAX WITHHELD

As per Section 90 of Income Tax Act 2002, the following are the details of the tax withheld and the payment made at the Inland Revenue Office.

Statement Period

--	--	--	--	--	--	--	--	--	--

 IRO Name _____
YYYY MM

1 WITHHOLDING AGENT DETAILS

PAN											(if available)
Name											
Address	House/ Block No.	Ward No.	Street	<input type="checkbox"/> Metropolitan <input type="checkbox"/> Municipality	<input type="checkbox"/> Sub-Metropolitan <input type="checkbox"/> VDC	District					

2 PAYMENT DETAILS

Fill in all tax payments made for TDS during the statement period. Payments can be made for taxes withheld for (1) employment / salary, (2) interests, (3) natural resource payments, (4) rent, (5) royalties, (6) service fees, (7) retirement payments, (8) dividends, (9) contract payments, (10) insurance premiums.

- Column 1 Fill in the revenue account heading for which the payment was made.
- Column 2 Fill in "1" for cash payment, "2" for cheque payment, "3" for draft payment, "4" for payment through bank.
- Column 3 Fill in (A) cash receipt number if you paid cash in the IRO, (B) cheque number if you paid by cheque in the IRO, (C) draft number if you paid by draft in the IRO, (D) voucher number if you paid in the bank.
- Columns 4, 5 Fill in the bank name and the branch name if you paid by bank voucher.
- Column 6 Fill in the IRO name if you paid in cash or by cheque or by draft in the IRO.
- Column 7 Fill in the payment date.
- Column 8 Fill in the amount of taxes deducted and paid.

	1	2	3	4	5	6	7	8
SN	Revenue Account Heading	Payment Mode	Number	Bank Name	Bank Branch Name	IRO Name	Payment Date	Amount
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
TOTAL AMOUNT								

3 TAXPAYER CERTIFICATION

I/we declare this statement to be complete and correct.

Signature of Withholding Agent or Representative	
Name of Withholding Agent or Representative	
Date	

4 OFFICIAL USE ONLY

TDS Return No	
TDS Return Date	
Receiving Official Name	
Receiving Official Signature	

FILL IN BACK SIDE FOR WITHHOLDEES DETAILS

5

PAN HOLDER WITHHOLDEES DETAILS

(Fill in only for Withholdees with PAN)

Type of Withholding (fill number in left column)	3= Natural resource payment, 4= Rent, 5= Royalty, 6=Service fee, 7= Retirement payment, 8=Contract or General Insurance premium
---	---

Do not fill in Details (Rows 2-13) for (1) Employment / Salary Earners, (2) Recipients of Interests, (3) Recipients of Dividends. Fill in Subtotals (Rows 15-17) only.

A	B	C	D	E	F
1	Type Whd. Withholdee PAN	Withholdee Name	Payment Date (of col. 5) YYYY MM DD	Amount paid to Withholdee	TDS Amount withheld
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14	Subtotal Rows 2-13				
15	Subtotal Employment / Salary Earners				
16	Subtotal Recipients of Interests				
17	Subtotal Recipients of Dividends				
18	Total of Rows 14-17				

6

NON-PAN HOLDER WITHHOLDEES DETAILS

(Fill in only for Withholdees without PAN)

Type of Withholding (fill number in left column)	3= Natural resource payment, 4= Rent, 5= Royalty, 6=Service fee, 7= Retirement payment, 8=Contract or General Insurance premium
---	---

Do not fill in Details (Rows 2-13) for (1) Employment / Salary Earners, (2) Recipients of Interests, (3) Recipients of Dividends. Fill in Subtotals (Rows 15-17) only.

A	B	C	D	E
1	Type Whd. Withholdee Name	Payment Date (of col. 5) YYYY MM DD	Amount paid to Withholdee	TDS Amount withheld
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14	Subtotal Rows 2-13			
15	Subtotal Employment / Salary Earners			
16	Subtotal Recipients of Interests			
17	Subtotal Recipients of Dividends			
18	Total of Rows 14-17			

Procedures for filling out a monthly TDS statement

Explanation and filling procedure of monthly TDS statement (Form Income Tax-T-D-01-01-0361)

Who should fill this form

A withholding agent, who deducts tax from a withholder, should fill this statement.

Where to find this form

This form can be obtained from any I.R.O. This form can also be downloaded from the I.R.D. website: <http://www.ird.gov.np/>.

Where to submit this statement

After complete a statement, it should be submitted to the concerned I.R.O.

When to submit statement

Within 15 days of the end of the month when the payment was made to the withholder.

How to fill this form

Complete all the rows and columns of this form with all the correct information.

- Period of TDS : mention the year and month that payment was made after TDS.
- Name of the I.R.O. : mention the name of I.R.O. where the statement is to be submitted.

PART 1 - Withholding agent's details

Complete all the rows and columns of this section with all the correct information.

PART 2 - Tax payment details

- For each revenue heading, one row should be filled. There might be the same revenue heading number in different rows on page 2. In this case, the total of all the rows with the same revenue heading number should be mentioned in a single row for each revenue heading.
- There are 8 columns in this section. Instructions on how to fill columns are printed at the top of the table on the form. When filling the table, these instructions must be followed.

PART 3 - Taxpayer certification

The withholding agent should sign and date this section. A representative of the agent can also sign the statement, as long as a Letter of Authorization is attached.

PART 4 - For official use

The withholding agent should not write in this section. This section is to be filled by I.R.O. staff only. The withholding agent should keep a record of the statement registration number and the date from this part, which will be used to prepare a TDS certificate.

PART 5 - Details of withholders having a PAN

Details of withholders having a PAN (Permanent Account Number) should be mentioned in this section. Details of withholders without PAN should **not** be mentioned in this section (see the next section for where to place details of withholders without a PAN). Instructions on how to complete the rows and columns in this section are printed at the top. When filling the table, these instructions must be followed.

PART 6 - Details of withholders without PAN

Details of withholders without PAN should be mentioned in this section. Details of withholders having a PAN should not be mentioned in this section (see Part 5 for where to place the details of withholders with a PAN). Instructions on how to complete the rows and columns in this section are printed at the top. When filling the table, these instructions must be followed.

The following is an example of a completed TDS statement where the Social Co-operation Institute has to fill out a TDS statement:

The details of TDS made by the Social Co-operation Institute, resident of block no. 14, ward No.34, Kathmandu municipality having PAN 500001021 on the month of Faigoon, 2060, are as follows:

1. TDS Rs. 60,000 was made on the payment of remuneration, paid by cheque no. 234510, dated 060/12/13 of Nepal Bank Ltd., Dillibazar branch to I.R.O. No. 1, Kathmandu.
2. Rs. 42,500 was paid to the Old Plaza Pvt. Ltd. for rent on 060/11/29 and Rs. 7,500 was deducted as tax. This amount was paid to I.R.O. No. 1, Kathmandu on 060/12/13. The I.R.O. issued a receipt numbered 234511. The Old Plaza has a PAN: 500001111.
3. Rs. 4,75,000 was paid to a consultancy company as a service fee on 060/11/20 and Rs. 75,000 was deducted as tax. This amount was paid to Nepal Rastra Bank, Thapathali by Bank Voucher No. 1234560 dated 060/12/13 on the account of I.R.O. No. 1, Kathmandu. The PAN of the consultancy company is 500002132.
4. Rs. 85,000 was paid as a service fee to Dr. Kabir Kumar on 060/11/29 and Rs. 15,000 was deducted as tax. This amount was paid to Nepal Rastra Bank, Thapathali by Bank Voucher No. 1234560 dated 060/12/13 on the account of I.R.O. No. 1, Kathmandu. Dr. Kumar does not have a PAN.

Sample of filled TDS Statement

Form Income tax-T-D-01-01-0361

MONTHLY STATEMENT OF TAX WITHHELD

As per Section 90 of Income Tax Act 2002, the following are the details of the tax withheld and the payment made at the Inland Revenue Office.

Statement Period

2060	11
YYYY	MM

 IRO Name : No.1, Kathmandu _____

1 WITHHOLDING AGENT DETAILS

PAN	5	0	0	0	0	1	0	2	1	(if available)
Name	Social Co-operation Institute									
Address	House/ Block No.	Ward No.	Street			<input checked="" type="checkbox"/> Metropolitan <input type="checkbox"/> Municipality	<input type="checkbox"/> Sub-Metropolitan <input type="checkbox"/> VDC	District		
	14	34	Baneswore			Kathmandu		Kathmandu		

2 PAYMENT DETAILS

Fill in all tax payments made for TDS during the statement period. Payments can be made for taxes withheld for (1) employment / salary, (2) interests, (3) natural resource payments, (4) rent, (5) royalties, (6) service fees, (7) retirement payments, (8) dividends, (9) contract payments, (10) insurance premiums.

- Column 1 Fill in the revenue account heading for which the payment was made.
 Column 2 Fill in "1" for cash payment, "2" for cheque payment, "3" for draft payment, "4" for payment through bank.
 Column 3 Fill in (A) cash receipt number if you paid cash in the IRO, (B) cheque number if you paid by cheque in the IRO, (C) draft number if you paid by draft in the IRO, (D) voucher number if you paid in the bank.
 Columns 4, 5 Fill in the bank name and the branch name if you paid by bank voucher.
 Column 6 Fill in the IRO name if you paid in cash or by cheque or by draft in the IRO.
 Column 7 Fill in the payment date.
 Column 8 Fill in the amount of taxes deducted and paid.

SN	1	2	3	4	5	6	7	8
SN	Revenue Account Heading	Payment Mode	Number	Bank Name	Bank Branch Name	IRO Name	Payment Date	Amount
1	1-1-03-20	2	234510	Nepal Bank Ltd.	Dillibazar branch	X	2060.12.13	60000.00
2	1-1-03-51	1	234511	X	X	No. 1, Kathmandu	2060.12.13	75000.00
3	1-1-03-90	4	1234560	Nepal Rastra Bank	Thapathali branch	X	2060.12.13	90000.00
4								X
5								X
6								X
7								X
8								X
9								X
10								X
TOTAL AMOUNT								157500.00

3 TAXPAYER CERTIFICATION

I/we declare this statement to be complete and correct.

Signature of Withholding Agent or Representative	
Name of Withholding Agent or Representative	
Date	2060.12.14

4 OFFICIAL USE ONLY

TDS Return No	12345
TDS Return Date	2060.12.14
Receiving Official Name	
Receiving Official Signature	

FILL IN BACK SIDE FOR WITHHOLDDEES DETAILS

5**PAN HOLDER WITHHOLDEES DETAILS**

(Fill in only for Withholdees with PAN)

Type of Withholding (fill number in left column)	3= Natural resource payment, 4= Rent, 5= Royalty, 6=Service fee, 7= Retirement payment, 8=Contract or General Insurance premium
---	---

Do not fill in Details (Rows 2-13) for (1) Employment / Salary Earners, (2) Recipients of Interests, (3) Recipients of Dividends. Fill in Subtotals (Rows 15-17) only.

1	A	B										C	D			E							F						
		Withholdee PAN											Withholdee Name	Payment Date (of col. 5) YYYY MM DD			Amount paid to Withholdee							TDS Amount withheld					
2	2	5	0	0	0	0	1	1	1	1	Old Plaza Pvt. Ltd.	2060		11	29				4	2	5	0	0				7	5	0
3	4	5	0	0	0	0	2	1	3	2	Consultancy company	2060	11	20				4	2	5	0	0				7	5	0	0
4																												X	
5																												X	
6																												X	
7																												X	
8																												X	
9																												X	
10																												X	
11																												X	
12																												X	
13																												X	
14	Subtotal Rows 2-13																								8	2	5	0	0
15	Subtotal Employment / Salary Earners																												
16	Subtotal Recipients of Interests																												
17	Subtotal Recipients of Dividends																												
18	Total of Rows 14-17																								8	2	5	0	0

6**NON-PAN HOLDER WITHHOLDEES DETAILS**

(Fill in only for Withholdees without PAN)

Type of Withholding (fill number in left column)	3= Natural resource payment, 4= Rent, 5= Royalty, 6=Service fee, 7= Retirement payment, 8=Contract or General Insurance premium
---	---

Do not fill in Details (Rows 2-13) for (1) Employment / Salary Earners, (2) Recipients of Interests, (3) Recipients of Dividends. Fill in Subtotals (Rows 15-17) only.

1	A	Type Whd.	B										C	D							E										
			Withholdee Name											Withholdee Name	Payment Date (of col. 5) YYYY MM DD			Amount paid to Withholdee							TDS Amount withheld						
2	4		Dr. Kabir Kumar										2060		11	29				8	5	0	0	0				1	5	0	0
3																												X			
4																												X			
5																												X			
6																												X			
7																												X			
8																												X			
9																												X			
10																												X			
11																												X			
12																												X			
13																												X			
14	Subtotal Rows 2-13																								1	5	0	0	0		
15	Subtotal Employment / Salary Earners																								6	0	0	0	0		
16	Subtotal Recipients of Interests																														
17	Subtotal Recipients of Dividends																														
18	Total of Rows 14-17																								7	5	0	0	0		

Annex-2

Form Income tax-T-C-01-01-0361

TDS WITHHOLDING CERTIFICATE
(For the purpose of Income Tax Act 2002, Section 91)**1****WITHHOLDEE DETAILS**

PAN											(if available)	
Name												
Phone No.												
Address	House/ Block No.	Ward No.	Street	<input type="checkbox"/> Metropolitan <input type="checkbox"/> Municipality	<input type="checkbox"/> Sub-Metropolitan <input type="checkbox"/> VDC	District						

2**WITHHOLDING AGENT DETAILS**

PAN											(if available)	
Name												
Phone No.												
Address	House/ Block No.	Ward No.	Street	<input type="checkbox"/> Metropolitan <input type="checkbox"/> Municipality	<input type="checkbox"/> Sub-Metropolitan <input type="checkbox"/> VDC	District						

3**PAYMENT DETAILS**

Payment heading after TDS	<input type="checkbox"/> Remuneration	<input type="checkbox"/> Service fe										
	<input type="checkbox"/> Interest	<input type="checkbox"/> Retirement payment										
	<input type="checkbox"/> Natural resource payment	<input type="checkbox"/> Dividend										
	<input type="checkbox"/> Rent	<input type="checkbox"/> Contract										
	<input type="checkbox"/> Royalty	<input type="checkbox"/> General Insurance premium										
Revenue Account Heading of TDS Payment (tick one only)	<input type="checkbox"/> 1-1-03-11 (Government Organisation)	<input type="checkbox"/> 1-1-03-12 (Public Limited Company)										
	<input type="checkbox"/> 1-1-03-13 (Private Limited Company)	<input type="checkbox"/> 1-1-03-14 (Individual/Proprietorship Firm)										
	<input type="checkbox"/> 1-1-03-19 (Other Institutions)	<input type="checkbox"/> 1-1-03-20 (Remuneration Tax)										
	<input type="checkbox"/> 1-1-03-51 (Rental Tax)	<input type="checkbox"/> 1-1-03-52 (Interest Tax)										
	<input type="checkbox"/> 1-1-03-53 (Capital Gain Tax)	<input type="checkbox"/> 1-1-03-54 (Dividend Tax)										
	<input type="checkbox"/> 1-1-03-59 (Other Investment Tax)	<input type="checkbox"/> 1-1-03-90 (Other Income Tax)										
	Period Payment covers (put month and year in the fields below)											
From												
To												
Amount paid to Withholdee												
Amount in Words												
TDS Amount withheld												
Amount in Words												
Payment Date												
TDS Return Registration No.												
TDS Return Registration Date												
Name of the I.R.O.												

Date and seal

Signature Withholding Agent

Procedures for filling out a TDS Certificate

Explanation and filling procedure of TDS Certificate (Form Income tax-T-C-01-01-03-61)

Who should fill this form

After paying the deducted tax in an I.R.O., a withholding agent should fill out a TDS certificate and issue it to the withholder.

Where to find this form

This form can be obtained from any I.R.O. This form can also be downloaded from the I.R.D. website: <http://www.ird.gov.np/>

When to issue a TDS certificate

1. In the case of an employee,
 - A. If employment is continued, within 30 days of the end of the year,
 - B. If employment has been terminated within the year, within 30 days of the date of termination.
2. In other cases, within 15 days after the end of the month when tax was deducted.

How to fill this form

Complete all the rows and columns of this form with all the correct information.

PART 1 - Withholdee's details

Complete all the rows and columns of this section with all the correct information.

PART 2 - Withholding agent's details

Complete all the rows and columns of this section with all the correct information.

PART3 - Tax payment details

Payment heading after TDS	Please tick only one box for the payment heading for which you have paid after deduction of tax.
Revenue Account Heading of TDS Payment	Please tick only one box for the revenue heading for which you have paid the deducted tax amount. If you have paid under different headings for one withholder, you should issue a separate certificate for each revenue heading.
Period of TDS applicable payments	There are two rows below this column. Mention Period of payment after TDS means from which period to which period the payment was made. The start month should be mentioned in the upper row, whereas the end month should be mentioned in the lower row. For example, if payment was made in 2061 Baishakh, then 2061 Baishakh should be mentioned in both rows. If the certificate is being prepared for the fiscal year 060/61, 2060 Shrawan should be mentioned in the upper row and 2061 Ashad should be mentioned in the lower row.
Payment made to withholder	Fill in the amount paid to withholder in numbers.
In words	Fill in the amount paid to withholder in words.
TDS amount	Fill in the amount of TDS in numbers.
In words	Fill in the amount of TDS in words.
Payment date	Fill in the date when tax was paid to the I.R.O.
TDS statement filing number	Fill in the registration number of your statement from the I.R.O.

TDS statement filing date	Fill in the registration date of your statement from the I.R.O.
Name of the I.R.O.	Fill in the I.R.O. name, where TDS statement was submitted.

- Print the date when the certificate was prepared and stamped with the office seal.
- Sign in the specified place. The withholding agent or the authorized person can sign the certificate.

The following is an example of a completed TDS certificate where the Social Co-operation Institute has to issue a TDS certificate to the Old Plaza:

The Social Co-operation Institute, resident of block no. 14, ward no. 34, Kathmandu municipality with PAN 500001021 has deducted tax on 2060 Falgun. Rs. 7,500 was deducted and Rs. 42,500 was paid as rent to the Old Plaza Pvt. Ltd. This TDS was paid in I.R.O. No. 1, Kathmandu on 06/12/13. I.R.O. No. 1, Kathmandu has issued a receipt (No. 234511). Old Plaza was the resident of block no. 12, ward no. 32, Gyaneswore, Kathmandu municipality, Phone No. 4444444 with PAN 500001111.

The Society had submitted TDS return in I.R.O. No. 1, Kathmandu on 06/12/14. The TDS return registration No. was 12345.

Sample completed TDS certificate

Form Income tax-T-C-01-01-0361

TDS WITHHOLDING CERTIFICATE

(For the purpose of Income Tax Act 2002, Section 91)

1**WITHHOLDEE DETAILS**

PAN	5	0	0	0	0	1	1	1	1	(if available)
Name	Old Plaza Pvt. Ltd.									
Phone No.	4444444									
Address	House/ Block No.	Ward No.	Street	<input checked="" type="checkbox"/> Metropolitan <input type="checkbox"/> Municipality	<input type="checkbox"/> Sub-Metropolitan <input type="checkbox"/> VDC	District				
	12	32	Gyaneswore	Kathmandu		Kathmandu				

2**WITHHOLDING AGENT DETAILS**

PAN	5	0	0	0	0	1	0	2	1	(if available)
Name	Social co-operation institute									
Phone No.	4888888									
Address	House/ Block No.	Ward No.	Street	<input checked="" type="checkbox"/> Metropolitan <input type="checkbox"/> Municipality	<input type="checkbox"/> Sub-Metropolitan <input type="checkbox"/> VDC	District				
	14	34	Baneswore	Kathmandu		Kathmandu				

3**PAYMENT DETAILS**

Payment heading after TDS	<input type="checkbox"/> Remuneration	<input type="checkbox"/> Service fee												
	<input type="checkbox"/> Interest	<input type="checkbox"/> Retirement payment												
Revenue Account Heading of TDS Payment (tick one only)	<input type="checkbox"/> Natural resource payment	<input type="checkbox"/> Dividend												
	<input checked="" type="checkbox"/> Rent	<input type="checkbox"/> Contract												
Period Payment covers (put month and year in the fields below)	<input type="checkbox"/> Royalty	<input type="checkbox"/> General Insurance premium												
	<input type="checkbox"/> 1-1-03-11 (Government Organisation)	<input type="checkbox"/> 1-1-03-12 (Public Limited Company)												
	<input checked="" type="checkbox"/> 1-1-03-13 (Private Limited Company)	<input type="checkbox"/> 1-1-03-14 (Individual/Proprietorship Firm)												
	<input type="checkbox"/> 1-1-03-19 (Other Institutions)	<input type="checkbox"/> 1-1-03-20 (Remuneration Tax)												
	<input type="checkbox"/> 1-1-03-51 (Rental Tax)	<input type="checkbox"/> 1-1-03-52 (Interest Tax)												
	<input type="checkbox"/> 1-1-03-53 (Capital Gain Tax)	<input type="checkbox"/> 1-1-03-54 (Dividend Tax)												
	<input type="checkbox"/> 1-1-03-59 (Other Investment Tax)	<input type="checkbox"/> 1-1-03-90 (Other Income Tax)												
From	2060, Falgun													
To	2060, Falgun													
Amount paid to Withholdee									4	2	5	0	0	
Amount in Words	Forty two thousand five hundred only													
TDS Amount withheld											7	5	0	0
Amount in Words	Seven thousand five hundred only													
Payment Date	2060.12.13													
TDS Return Registration No.	12345													
TDS Return Registration Date	2060.12.14													
Name of the I.R.O.	I.R.O. No. 1, Kathmandu													

2060.12.14

Date and seal

Signature Withholding Agent