

Procedure For e-filing Of TDS Returns

1. Objective:

The basic objectives of computerization of TDS returns is to cut down the compliance cost for deductors, to correlate deduction of taxes made by deductors with the deposit of the deducted tax in the Government account in a designated bank/and correlate deduction of tax by the deductors with the corresponding credits claimed by the deductees.

In phase-I of TIN it is proposed to receive the electronic TDS returns of corporate deductors and to digitise the paper TDS returns of other deductors.

In Phase-II of TIN the work relating to dematerialization of TDS certificates will be taken up so that cross verification of deduction by the Deductors with the claims of deductees can be carried out. Some of the issues pertaining to this scheme are explained in the form of Frequently Asked Questions (*FAQs*) and are available on this site.

2. Scheme for Electronic Filing of TDS returns:

The *scheme for electronic filing of TDS returns was notified on 26.8.2003*. The *Board Circular No.8* dated 19.9.2003 clarifies the procedure in this regard. The procedure basically envisages that corporate deductors will prepare their TDS returns in the new TDS return Forms *24, 26* or *27*, according to the *data structure* notified by **e-Filing Administrator**. The e-TDS returns in the prescribed data structure stored on CD ROM and supported by a duly signed control chart in *Form 27A* in paper format will be submitted to an **e-TDS Intermediary** appointed by the Board .

3. e-TDS Administrator and e-TDS Intermediary:

The CBDT has appointed Director General of Income-tax (Systems) as e-TDS Administrator. Separately, M/s National Securities Depository Limited (NSDL), who are also the agency hosting TIN, have been appointed as e-TDS Intermediary. During the current financial year, NSDL will be opening their front offices **at 42 stations** throughout the country, for receiving e-TDS returns of all deductors. NSDL w.e.f. 19.01.2004 will set up their front offices called as '*TIN Facilitation Centre*' at 42 stations throughout the country, for receiving e-TDS returns w.e.f. 19.01.2004. NSDL will set up their front offices at 65 stations more during the next financial year so that they will have presence at all stations where administrative CsIT are located.

4. Procedure for allotment of TAN:

4.1 All deductors required to e-file their TDS returns have to quote their reformatted *Tax Deduction Account Numbers (TAN)* in their respective TDS

returns. A large number of deductors have already obtained these re-formatted TANs which are unique countrywide. Wherever TAN has not been allotted or old TANs have not been reformatted, applications in Form 49B can be filed with NSDL. All old applications for allotment of new TAN/ reformatted TAN pending in the Department, will be disposed at the earliest.

4.2 NSDL has also been authorised to receive **applications (form 49B)** for allotment of TAN at their front offices for fee of Rs.50/- to be paid by the applicant to them. The data in respect of such TAN applications will be entered by NSDL and sent to National Computer Centre (NCC) of Income-tax Department and the respective computer centres on-line. The allotment of TAN will be done by the **IT department centres** and communicated online to NSDL who will intimate the same to the applicant.

5. Preparation of e-TDS returns:

5.1 New forms of TDS returns in **Form No.24, 26, & 27** (enclosed herewith), a control chart in **Form 27A** have been notified by the Board vide **notification** dated 31.7.2003 consequent upon amendment to **Rule 30 of IT Rules, 1962**. The e-TDS returns have to be prepared in these **new forms** and according to the **data structure** prescribed by e-TDS administrator. This is necessary so that the data structure of e-TDS returns is compatible with the departmental application software for processing the same.

5.2 The prescribed data structure can be downloaded from this website as also of NSDL (<http://tin.nsd.com>) This can also be obtained from the front offices of NSDL. While preparing the e-TDS returns, the deductor has to ensure that following mandatory requirements listed in **Circular No.8 of CBDT** dated 19.9.2003, are complied with :

- (i) Tax deduction Account Number (TAN) of the deductor is clearly mentioned in the TDS return as also on **Form No.27A**, as required by **sub-section (2)** of section 203A of the Income-tax Act. However, in cases where TAN is not available the e-TDS returns will also be accepted if the same is accompanied with an application in **Form 49B** for allotment or for reformatting.
- (ii) Full particulars relating to deposit of tax deducted at source, in the designated bank are correctly and properly filled in the table at item No.6 of **Form No.24** or item No.5 of **Form No.26** or item No.5 of **Form No.27**, as the case may be.
- (iii) The data in the e-TDS return is as per the **data structure** prescribed by the e-Filing Administrator.
- (iv) The Control Chart in **Form 27A** is duly filled in all columns, signed and enclosed in paper form with the return on computer media.

- (v) The Control Totals of the amount paid and the tax deducted at source as mentioned at item No.3 of **Form No. 27A** tally with the corresponding totals in the e-TDS return in **Form No. 24** or **Form No. 26** or **Form No. 27**, as the case may be.

In case any of these mandatory requirements are not fulfilled, the e-TDS return will not be received by the e-TDS intermediary.

5.3 The deductors should prepare their e-TDS return as per the above procedure, store the data on a CD ROM, enclose the control chart (**Form 27A** in paper format) and submit these at any of the front offices of NSDL. Although the scheme permits e-TDS returns to be prepared on a floppy, it would be preferable that these are prepared on a CD ROM to avoid any loss of data, viruses etc.

6. Filing of e-TDS returns:

6.1 The e-TDS return can be filed at any of the **TIC Facilitaion Centres** offices being opened by NSDL at **42 cities**. At the receipt stage, these front offices will carryout validation checks on the e -TDS returns to ensure compliance with above five parameters, and a provisional receipt will be issued on successful validation.

6.2 Section 139A(5 B) requires that PAN of the deductees should be mentioned in the TDS returns. Wherever PAN of deductees is not mentioned by a deductor in his e-TDS return, this fact will be recorded on the provisional receipt as deficiency, to be removed by the deductor. However, in such cases, NSDL will accept the e -TDS returns. The deficiency can be removed by the deductor within 7 days, failing which the e-TDS returns will be sent by NSDL to the Department indicating the deficiency therein for appropriate action by the concerned A.O.

7. Upload Charges:

Since e-filing of TDS returns will reduce the voluminous paper work involved in filing of paper TDS returns and enclosures thereby significantly reducing the compliance cost of deductors, the e-intermediary i.e. NSDL have been authorised to collect service charges in respect of the various services being rendered by them to the deductors for upload of e-TDS returns at the following rates:

Category of e-TDS return	Upload charges
Returns having records of up to 100 deductee records	Rs.25/-
Returns having records of 101 to 1000 deductee records	Rs. 150/-
Returns having records of more than 1000 deductee records	Rs.500/-

Service tax if any will be payable by deductors in addition to the above.