

# E-TDS FILING



PRESENTED BY

**Vinod Kumar Jain FCA**

# What is E- TDS?



- E-TDS stands for “Electronic Tax Deducted at Source” introduced by the IT department.
- Filing e – TDS return is compulsory for all assessee and government Deductors as per section 206 of Income Tax Act.

# OBJECTIVE

- ❑ To cut down the compliance cost for deductors.
- ❑ To correlate deduction of taxes made by deductors with deposit of the deducted tax.
- ❑ To correlate deduction of Tax by the deductors with the corresponding credits claimed by the deductees.



# LIMITS & RATES OF TDS

Section	Particulars	Limits Rs.	%
194A	Interest other than Securities	10,000 - Banks 5,000 - Others	10
194B	Winning from lottery	10,000	30
194BB	Wining from Horse Race	5,000	30
194C	Contractors	30,000/100,000	1 or 2
194D	Insurance Commission	15,000	5
194H	Commission & Brokerage	15,000	5
194I	Rent	1,80,000 Land & Building Plant & machinery	10 2
194IA	Immovable Property other than sp. Agricultural Land	50,00,000	1
194IB	Rent by Certain Individuals and HUF	50,000 per month	5
194J	Professional Fees	30,000	10

# Section 195: Withholding tax

Section 195(1) Scope & Condition for applicability

```
graph TD; A[Section 195(1) Scope & Condition for applicability] --> B[S 195(2) Application by Payer for lower or nil withholding certificate]; B --> C[S. 195(3) Application by Payee for lower or nil withholding certificate]; C --> D[S. 195(6) Rule 37BB & Form 15CA and Form 15CB];
```

S 195(2) Application by Payer for lower or nil withholding certificate

S. 195(3) Application by Payee for lower or nil withholding certificate

S. 195(6) Rule 37BB & Form 15CA and Form 15CB

# S.195 TDS on payments to Non-Resident

- ❑ Unlike **personal payments** exempted in section 194C etc.; no exclusion for the same in section 195 (all payments covered *excl. salaries* provided chargeability there) e.g. payment to foreign architect for residential house construction etc.
- ❑ Unlike **threshold criteria** specified in section 194C etc., no basic limit in section 195 even Re 1 payment is covered
- ❑ Unlike other provisions in Chapter XVII (TDS provisions), section 195 uses a special phrase **“chargeable to tax under the Act”**
- ❑ **All payers** covered irrespective of legal character HUF, Individual etc.
- ❑ **Multi-dimensional** as involves understanding of DTAA/Treaty

# Contents of 15CA

## Part A

If the remittance or the aggregate of remittance is not going higher than five lakh rupees in the particular financial year.

## Part B

Remittance above five lakh rupees in that financial year, and an order/ certificate u/s 195(2)/ 195(3)/ 197 of Income tax Act has been taken from the A.O.

## Part C

Remittance above five lakh rupees in that financial year, a certificate in Form No. 15CB from an accountant has been obtained.

## Part D

Remittance is not exceeding the amount which is taxable under the income tax act 1961, apart from payments said in rule 37BB(3) by the person referred to in rule 37BB(2).

# 15CB: CA certificate Documentation from payer

- ❑ Tax Residency Certificate
- ❑ Permanent Establishment
- ❑ Agreement and Invoices
- ❑ Payment details
- ❑ Correspondences
- ❑ Technical Advice
- ❑ Proof of services being rendered in case of Group Co.
- ❑ E-mails etc. regarding pricing in case of Group Co.
- ❑ Remitting bank details
- ❑ Rate of conversion of foreign currency
- ❑ Check DTAA applicable rate / Rate as per I. Tax Act



# Due dates for TDS payment

## Due dates for payment of TDS

	<b>Amount Paid/ Credited</b>	<b>Due date of deposit of TDS</b>
<b>Government Office</b>	Without Challan	Same Day
	With Challan	7 <sup>th</sup> of Next Month
	On Perquisites opt to be deposited by the employer	7 <sup>th</sup> of Next Month
<b>Others</b>	In the Month of March	30 <sup>th</sup> April
	In the Other Months	7 <sup>th</sup> of Next Month

# TDS E- Return Forms

FORM 24Q

- For Salary Payments

FORM 26Q

- For all payments other than salary to resident

FORM 27Q

- For all other payments to non-resident

# Some Common Abbreviations

- ❑ **NSDL** – National Securities Depository Limited
- ❑ **TIN** – Tax Information Network
- ❑ **TIN – FC** – TIN Facilitation Centre.
- ❑ **OLTAS** – On Line Tax Accounting System.
- ❑ **ERACS** – Electronic Return Acceptance and Consolidation System.
- ❑ **CPLGS** – Central PAN Ledger Generation System.
- ❑ **VB** – Visual Basic.
- ❑ **RPU** – Return Preparation.
- ❑ **FVU** – File Verification Utility.

# Due dates for TDS return filing

## Due dates for TDS return filing

Months	Quarter Ending	Last date to File Return
April, May, June	June 30 <sup>th</sup>	July 31 <sup>st</sup>
July, August, September	September 30 <sup>th</sup>	October 31 <sup>st</sup>
October, November December	December 31 <sup>st</sup>	January 31 <sup>st</sup>
January, February, March	March 31 <sup>st</sup>	<b>May 31<sup>st</sup></b>

# FOLLOWING PROCEDURE TO BE FOLLOWED FOR E- TDS



- ❑ Send TDS return format to party.
- ❑ Necessary details to be filled by party.
- ❑ Check if details received are as per requirement of TDS return filing.
- ❑ Run in E-TDS software available in office & validate (Generate File validation Utility format).
- ❑ Take printout of word file 27A & send to party for signature with rubber stamp.
- ❑ Generate FVU file. Copy to pen drive, submit at NSDL center along with signed 27A and applicable fees.



# The Format sent to party For Form 24Q, 26Q & 27Q

- Deductor Sheet
- Challan Sheet
- Deductee Sheet

# DO'S

---

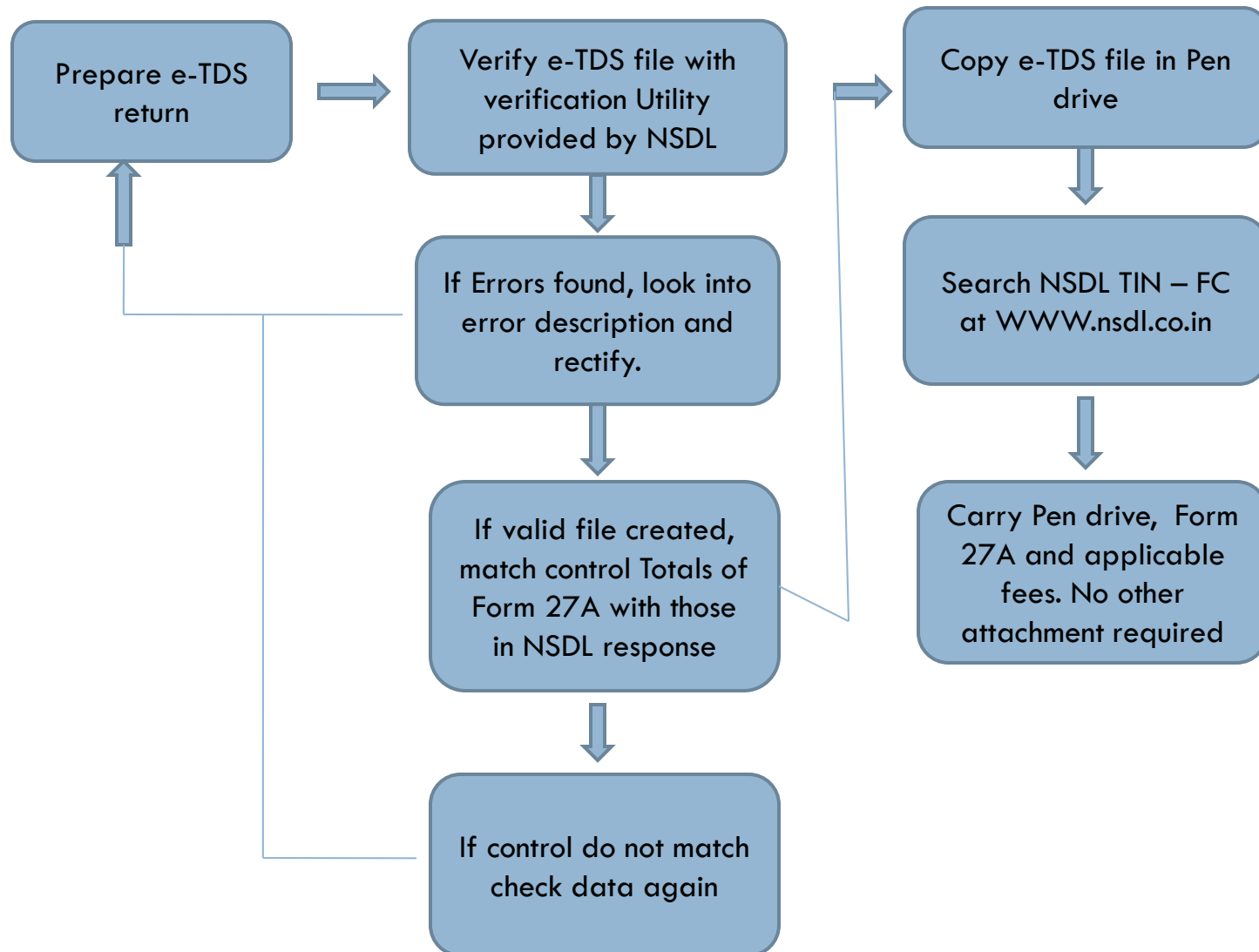
- ❑ Enter each & every transaction of TDS
- ❑ Actual data must start from row no 2. Leave row No 1 for headings
- ❑ Check for correct date format (dd/mm/yyyy) in all date columns
- ❑ All amount cells must be of type “numeric”
- ❑ There is no particular order, in which data is to be entered

# DON'TS

- ❑ Do not Enter rate with Percentage Sign (%) in Deductee Sheet.
- ❑ Do not put totals/sub-totals.
- ❑ Do not rename the worksheets name.
- ❑ Do not delete/add any column from/in the Template-Salary/  
Template- Non Salary files. If you do so, the program will not work.
- ❑ Do not use “ hide ” function of MS Excel to hide any row or column.
- ❑ Do not leave any blank row in between deduction entries.
- ❑ Do not use “Percentage” or “Accounting” type as a number format in the tab specified in “File” Menu .



# Flow Chart for E-TDS return filing



# Default Notice

- ❑ NSDL sends default notice to deductor, if there is a mistake in:
  - ❑ Challan mismatch
  - ❑ PAN mistake
  - ❑ Short payment ... etc.
- Then request for 'Justification report' on the TRACES website.
- Justification report gives the details of all mistakes

## **NSDL Conso File**

- It is the consolidated data of the statements processed (regular & correction) for the relevant Financial Year, Quarter and Form Type.
- One should download the latest conso file in order to file correction return.

## **Justification Report**

- This document consists of detailed information about the defaults / errors identified by the Income Tax Department (ITD) while processing the TDS statement.
- Deductor can rectified the error / default by paying the necessary interest / fees / other dues (if any) and by filing correction statement.

# Consolidation file and Default Correction

- Request traces for consolidation file
- Next day download consolidate file
- Abstract / Retrieve Assessee's own uploaded file
- Do corrections therein
- Submit again to NSDL soft copy, 27A
- Again pay applicable fees

# TDS CORRECTION / REVISE

- ❑ A correction TDS statement can be furnished multiple times to incorporate changes in the regular TDS statement whereas a regular TDS statement will be accepted at the TIN central system only once.

The following points to be kept in mind while preparing correction statement more than once on the same regular statement:

- ❑ The TDS statement on which correction is to be prepared should be updated with details as per all previous corrections
- ❑ Modifications/addition/deletion in correction statements accepted at the TIN central system only should be considered.

# Rectification of TDS Returns

Name	Type of Correction
C1	Update deductor details such as Name, Address of the Deductor
C2	Update challan details such as challan serial no., BSR code, challan tender date, challan amounts etc.
C3	Update/add deductee details.
C4	Add / delete salary detail records.
C5	Update PAN of the deductee or employee in deductee /salary details
C9	Add a new challan and underlying deductees.

**There is no need to file separate statements for different types of corrections. In case you need to update or add different deductees / challans in the same statement, it can be done in a single correction file.**

# Pre-requisites for furnishing a correction Statement

- Check the status of the regular statement on the TIN / TRACES website.
- Correction statement should be prepared only if the corresponding regular statement has been accepted at the TIN central system.
- Conso file of the corresponding accepted regular statement should be available for preparing a correction statement.
- Provisional receipt of the corresponding accepted regular statement should be available.

# Online Correction Request Flow

The screenshot displays the TRACES (TDS Reconciliation Analysis and Correction Enabling System) portal. At the top, there are navigation links (Home, About Us, Contact Us, e-Tutorials, Related Links, Logout) and a search bar. The header includes the TDS logo, the TRACES title, and the Government of India Income Tax Department logo. The main navigation bar contains tabs for Dashboard, Statements / Payments, Defaults, Communications, Downloads, Profile, and Help. The 'Defaults' tab is active, and its dropdown menu is open, showing options like 'View Default Summary', 'Request for Correction', 'Request for Justification Report Download', 'Track Correction Request', 'View Saved Statements', and 'Corrections Ready For Submission'. The 'Request for Correction' option is highlighted. A callout bubble points to the 'Help' icon with the text 'Click on Help icon for help text for this screen'. Another callout bubble points to the 'Request for Correction' option with the text 'Under 'Defaults' select 'Request for Correction''. The main content area shows a welcome message for 'EDUCATIONPRIVATELIMITED' and a list of quick links and dashboard items.

Home | About Us | Contact Us | e-Tutorials | Related Links | Logout

Search in  Keyword

English

**TDS** Centralized Processing Cell

**TRACES** TDS Reconciliation Analysis and Correction Enabling System

Government of India  
Income Tax Department

Dashboard | Statements / Payments | **Defaults** | Communications | Downloads | Profile | Help

Welcome: EDUCATIONPRIVATELIMITED You have logged in on 16-Aug-2013 at 02:23 PM

**Quick Links**

- Challan Status
- Request for Report Download
- Request for NSDL Conso File
- Download Form 16
- Requested Downloads
- Inbox **New**
- View Default Summary **New**

**Under 'Defaults' select 'Request for Correction'**

**Defaults**

- View Default Summary
- Request for Correction**
- Request for Justification Report Download
- Track Correction Request
- View Saved Statements
- Corrections Ready For Submission

**Click on Help icon for help text for this screen**

**Customer Care**

Toll-Free: 1800 103 0344

0120 4814600

contactus@tdscpc.gov.in

**User Login Details**

TAN / PAN MJMS66971C

IP: 0:0:0:0:0:0:1

Last logged in on: 16-Aug-2013 at 02:23 PM

Note: Digital Signature is mandatory to register on TRACES for raising online correction on Traces.



# Online Correction Request Flow- Submit Correction Request (contd.)

Home | About Us | Contact Us | Help | Related Links | Logout

Search In Keyword

TDS Centralized Processing Cell

TRACES TDS Reconciliation Analysis and Correction Enabling System

भारत सरकार  
Government of India  
Income Tax Department

Dashboard Statements / Payments **Defaults** Downloads Profile Help

Welcome EDUCATIONPRIVATELIMITED. You have logged in on 20-Jul-2013 at 02:06 PM

File Correction

Financial Year\* --Select-- Quarter\* --Select-- Form Type\* --Select--  
Correction Category\* Online Latest Token Number\* Submit Request

Enter : Financial Year, Quarter and Form Type, correction category and latest token number

click on 'Submit Request' to raise the request

- Request can be submitted only if there is a regular statement filed and processed.

# Online Correction Request Flow- Submit Correction Request

The screenshot displays the TDS TRACES portal interface. At the top, there is a navigation bar with links for Home, About Us, Contact Us, e-Tutorials, Related Links, and Logout. A search bar is also present. The main header features the TDS logo (Centralized Processing Cell) and the TRACES logo (TDS Reconciliation Analysis and Correction Enabling System). The Government of India Income Tax Department logo is visible on the right. A navigation menu includes Dashboard, Statements / Payments, Defaults (highlighted), Communications, Downloads, Profile, and Help. The main content area shows a welcome message for 'EDUCATION PRIVATE LIMITED' and a confirmation message: 'Request for correction for Form 26Q of FY 2008-09 and Quarter Q4 has been submitted. Request Number is 454 and Request Date is 4-September-2013. You may check status of the request through 'Track Correction Request' under 'Defaults' menu. Correction can be started once request status is 'Available'.' A button labeled 'Go to Track Correction Request' is highlighted with an orange callout bubble that says 'Click here to track correction request or navigate 'Track Correction Request' under 'Defaults' menu'. Another orange callout bubble above the message says 'Request number received'.

Home | About Us | Contact Us | e-Tutorials | Related Links | Logout

Search In • Keyword

English

**TDS**  
Centralized Processing Cell

**TRACES**  
TDS Reconciliation Analysis and Correction Enabling System

Government of India  
Income Tax Department

Dashboard | Statements / Payments | **Defaults** | Communications | Downloads | Profile | Help

Welcome EDUCATION PRIVATE LIMITED, You have logged in on 20-Jul-2013 at 12:47 PM

Request for correction for Form 26Q of FY 2008-09 and Quarter Q4 has been submitted. Request Number is 454 and Request Date is 4-September-2013. You may check status of the request through 'Track Correction Request' under 'Defaults' menu. Correction can be started once request status is 'Available'.

For Type 1 correction, challan correction and PAN correction have been enabled

[Go to Track Correction Request](#)

Request number received

Click here to track correction request or navigate 'Track Correction Request' under 'Defaults' menu

# Revise TDS returns ... steps

- Login at TRACES website ... [tdscpc.gov.in](http://tdscpc.gov.in)
- Give user id and password
- Request for conso file
- Verify the request for conso file with 1 challan No. & 3 PAN details
- Submit successfully .. Get request no.
- Next day again login & go to download
- Get zip file and extract the same
- Open with password i.e. TAN request no.

# Revise TDS return .. Contd.

- Same excel file is displayed on screen.. Previously Uploaded by us
- Do all corrections, additions and deletions in Challan & deductee detail
- Validate & create FVU file
- Print and sign return in 27A
- Copy it in Pen-drive
- Send 27A, softcopy in pen drive and applicable fees to NSDL datacentre

# Issue of TDS certificate

- TDS Certificates available- within 15 days from the return due date
- Log in with user ID & password
- Go to download section & select
- Verify the same with 1 challan and 3 PAN nos.
- Form 16 for Salary ... Annual .. <15.06
- Form 16A ... Quarterly
- Submit selection & get request no.

# TDS certificates ... continue

- Next day again login
- Download certificates in zip file
- Downloaded zip file is password protected: password being TAN
- Download aces program for certificate
- Save file
- Print certificates
- Send certificates to deductees
- 100/- per day penalty... for delay in download

# TDS Payment u/s 194IA

## On Purchase of Property

- 1% TDS on property purchase above Rs 50 Lakhs
- No need to obtain TAN number
- Deposit TDS before 7<sup>th</sup> of next month of consideration paid or credited full or in part
- Fill up details in challan cum form No. 26QB
- Generate a acknowledgement
- Pay challan on line, can also be paid by cheque
- Deductee can see credit in 26AS after 15 days
- No rectification possible

# Payment of TDS on rent by certain Individuals / HUFs S.194IB

- 5% TDS on rent above Rs 50,000 per month
- Deduct TDS in last month of previous year or last month of vacancy
- Deposit TDS within 30 days from end of month in which TDS is made
- No need to obtain TAN number
- Fill up details in challan cum form No. 26QC
- Generate a acknowledgement
- Pay challan on line, can also be paid by cheque
- Deductee can see credit in 26AS after 15 days
- No rectification possible



# Penalty for late filing TDS returns

- **S. 234E:** Late filing fees of TDS Return will be **Rs.200 per day**, from due date to date of filing. Maximum amount restricted to amount of TDS.
- **S. 271H:** Assessing officer can levy additional fine of Rs. 10,000 to Rs. 1,00,000 for non submission of TDS statement within prescribed time. It can also be levied for furnishing incorrect information in the statement.

THANK YOU