

**-COPY OF-**  
**INCOME TAX INSTRUCTION**  
**NO.8/2010**  
**Dated: December 8, 2010**

**Parameters for processing of E-TDS Returns – issuance of instruction – regarding.**

In the present system of processing of e-TDS returns, the returns are processed online and mismatch report showing defaults on various accounts is generated. Based on this mismatch report, the assessing officers issue show-cause-notices to the deductors and take follow up actions.

2. It has come to the notice of the Board that substantial number of TDS returns are pending where the deductee-wise default on account of short deduction of tax is less than Rs.10.

3. This issue has been considered by the Board and it has been decided that:

(i). where the default on account of short deduction is less than Rs.10 for each deductee, the demand is round off to zero; and

(ii). after considering (i) above, deductor-wise demand/default, if any, of Rs.100 or less will also be ignored for further action.

4. However, the DDOs in such cases may be warned to be careful in future so as to ensure that they do not become habitual in short deduction of tax.

5. Earlier instruction no.11/2007 dated 18.12.2007 issued under F.No.385/56/2007-IT(B) on the subject stands superseded by this instruction.

6. These instructions shall apply to all TCS/TDS cases under all Direct Tax Enactments. These instructions will come into force immediately.

7. Hindi version will follow.

**F.No.275/73/2009-IT(B)**

**(Ajay Kumar)**  
**Director (Budget)**