Voice of CA
Voice of Chartered Accountants

Practical issues in e-tds

By: CA. Deepak Bhholusaria

Knowledge Partner
Bholusaria Associates
Chartered Accountants

Objective of this presentation

We will discuss...

- Brief overview of e-TDS filing process
- Services available
- Commons issues and resolutions
- Queries of house
- Summary and sign off

Brief overview of e-TDS filing process

Mode of e-Filing of TDS/TCS statements

i. Through TIN-FC
ii. Though e-Filing portal

Original

i. Through TRACES portal
ii. Though e-Filing portal
iii. Through TIN-FC

Corrections

Stages of processing

1 Step 1: CPC (TDS) will first process Original TDS Statements till the stage of 26AS generation for deductees reported.

2 Step 2: Short Payments and PAN Errors will be identified in the preliminary check of the Original statements.

3 Step 3: The statements will be placed "On Hold" for further processing for 7 days and an opportunity will be provided to correct potential defaults of Short Payment and PAN Error

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3 Important portals

① **Tax Information Network**
of Income Tax Department

② TDS Centralized Processing Cell | **TRACES**
TDS Reconciliation Analysis and Correction Enabling System

③ **e-Filing** *Anywhere Anytime*
Income Tax Department, Government of India

Available services

Services you may avail (deductor)

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E-filing of Original / Correction e-TDS statements

Filing of form 15CA

Form 26A / 27BA

F-filing of form 15G / 15H

Form 35 (TAN based appeals)

Tax Information Network
of Income Tax Department

Services you may avail (deductor)

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Physical filing of Original / Correction e-TDS statements through TIC-FC

OLTAS

E-payment of TDS (form 281)

F-filing of form 15G / 15H

Online TAN Applications

View quarterly statement status (filed through TIN-FC)

E-payment cum filing of form 26QB/QC/QD

Demand payments for form 26QB/QC/QD

Services you may avail (deductor)

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PAN verification	Validation of certificate issued u/s 197 / 195(3)
Adjustment of demands raised by AO	OLTAS Challan correction
Request for 26A / 27BA	Refund requests
Online Corrections	Justification reports

Services you may avail (deductor)

View notices issued by TDS Assessing Officer

Raise ticket to resolve issue, which otherwise cannot be resolved

Transaction based reports (non-resident)

Form 16/16A/27D file generation

Correction in Challans

Demand dashboard

Details of manual *(by AO)* and processed demands *(by CPC)* based on financial year are available through a link on TRACES deductor dashboard.

Financial Year	Manual Demand (Justification available with AO)	Processed Demand (Justification available from CPC)
Prior Years	0.00	829630.00
2012-13	0.00	60.00
2013-14	0.00	90.00

Financial Year	Manual Demand (Justification available with AO)	Processed Demand (Justification available from CPC)
2007-08	0.00	829620.00
2008-09	0.00	0.00
2009-10	0.00	10.00

Online request for resolution and its tracking

Communications

Inbox
Request for Resolution
Resolution Tracking
Revoking Paperless Intimation
Notices from Assessing Officer

Request Category* | TAN-PAN Master ▼

--Select--
Statement Status
Statement Rejection Reasons
Form 16 / 16A
Justification Report
Conso File
TAN-PAN Master
PAN Verification
Online Corrections
Defaults / Demand
Intimation Send
Form 26AS
Refund of Challan
KYC
Demand waive off
Extension of time against Demand Notice
Change in Communication Details
Correction Statement filed for the initiation send
Amount paid against the demand notice
Late Filing Fee Waive off

Resolution Tracking

Search Option 1

Ticket Number [   ]   Source of Ticket* [Deductor ▼]   [Go]

Search Option 2

Source of Ticket* [Deductor ▼]   Ticket Creation Date* (dd-mmm-yyyy)   From [   ]   To [   ]

Ticket Status* [--Select-- ▼]   [Go]

Online request for resolution and its tracking

Request for Resolution- Default / Demand

ℹ Please select resolution request sub category for default / demand

⦿ Wrong Calculation ◯ Clarification Required

Financial Year*	2007-08 ▾	Quarter*		Q2 ▾
Form Type*	26Q ▾	Last Accepted Statement / Latest Token Number*		[ ]

Default / Demand Details for which resolution has to be logged

ℹ Please note that 'Issues' will be enabled if you enter any amount in 'Default Amount'. At least one issue has to be selected to submit the request

Short Payment	Default Amount (e.g. 100.00)	9210582	Issues	Insufficient Balance ▾
Short Deduction	Default Amount (e.g. 100.00)	121541	Issues	Other Reasons ▾
Interest on Payments Default u/s 201(1A)				
Interest on Short Payment	Default Amount (e.g. 100.00)		Issues	
Interest on Late Payment	Default Amount (e.g. 100.00)	1212121	Issues	Calculation Error ▾
Additional Late Payment interest against the processing of latest correction"	Default Amount(e.g. 100.00)		Issues	
Interest on Deduction Default u/s 201(1A)				
Interest on Short Deduction	Default Amount(e.g. 100.00)		Issues	
Interest on Late Deduction	Default Amount (e.g. 100.00)		Issues	
Additional Late Deduction interest against the processing of latest correction"	Default Amount (e.g. 100.00)		Issues	
Late Filing Fee u/s 234E				
Additional Late Filling levy against the processing of latest correction	Default Amount (e.g. 100.00)		Issues	
Interest u/s 220(2)	Default Amount (e.g. 100.00)	232656	Issues	Fee paid but not consumed ▾

--Select--
Fee paid but not consumed
Issue in different due dates of deposit for Govt/Non Govt

Token Number of Correction Submitted [   ]

ℹ It is mandatory to either enter comments or attach supporting documents

Enter Comments For Ticket
(Maximum 1000 characters)

[   ]

1000 characters remaining

Attach Supporting Documents   **Add Attachment**

Declaration for Non – Filing of e-tds return

Declaration for Non - Filing

ℹ️ Provide details below to add the statement details for non - filing

Financial Year* [2013-14 ▼]

Quarter*
| Q1 |
| Q2 |
| Q3 |
| Q4 |

Form Type*
| 24Q |
| 26Q |
| 27Q |
| 27EQ |

Reason* [Payment Below ▼]

Add Statement Details

--Select--
Not Liable to deduct for the selected statement period
No Payment made / Credited to Deductee
Temporarily Business Closed
Permanently Business Closed
Payment Below Threshold to Deductee
Branch Shifted
Any Other Reason

Declaration for Non – Filing of e-tds return

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Declaration for Non - Filing

Non - Filing of Statement Details for TAN DELA10353A

ℹ Select the row to change the Non - Filing Status of the statement

ℹ Click on 'Add Statement' to add further statements

	Financial Year	Quarter	Form Type	Status	Reason	Date
☐	2014-15	Q2	27EQ	Non-Filing	Not Liable to deduct for the selected statement period	29-Nov-2014
☐	2014-15	Q1	27EQ	Non-Filing	Not Liable to deduct for the selected statement period	29-Nov-2014
☐	2013-14	Q4	27EQ	Non-Filing	Not Liable to deduct for the selected statement period	29-Nov-2014
☐	2013-14	Q4	27Q	Non-Filing	Not Liable to deduct for the selected statement period	29-Nov-2014
☐	2013-14	Q3	27EQ	Non-Filing	Not Liable to deduct for the selected statement period	29-Nov-2014
☐	2013-14	Q3	27Q	Non-Filing	Not Liable to deduct for the selected statement period	29-Nov-2014
☐	2013-14	Q2	27EQ	Non-Filing	Not Liable to deduct for the selected statement period	29-Nov-2014
☐	2013-14	Q2	27Q	Non-Filing	Not Liable to deduct for the selected statement period	29-Nov-2014
☐	2013-14	Q1	27EQ	Non-Filing	Not Liable to deduct for the selected statement period	29-Nov-2014
☐	2013-14	Q1	27Q	Non-Filing	Not Liable to deduct for the selected statement period	29-Nov-2014
			◄◄ ◄◄ Page 1 of 1 ►► ►►			View 1 - 10 of 10

Change Filing Status   Add Statements

Services you may avail (taxpayer)

Form 26AS view and download

Validate TDS certificate issued by deductor

Raise request for resolution *(E.g., Missing / Incorrect transaction in 26AS)*

Generate form 16C

Correction in form 26QB

Generate form 16B

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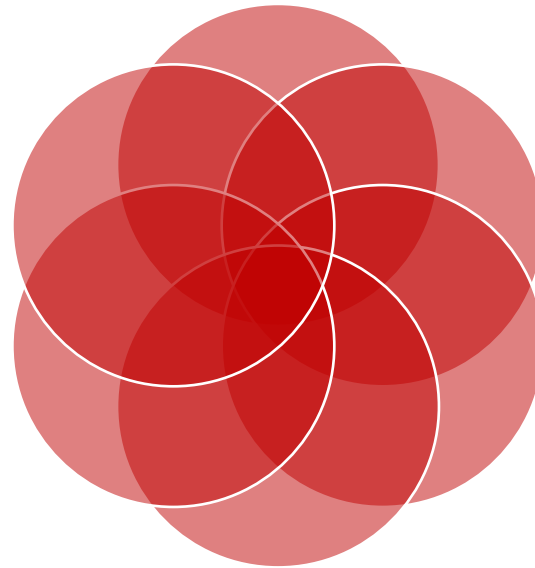
Common Issues and resolutions

Multiple Authorised Signatories

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Mr. A is authorised for Non-Salary returns`

Mr. B is authorised for Salary returns

TRACES can accommodate only one Authorised Signatory
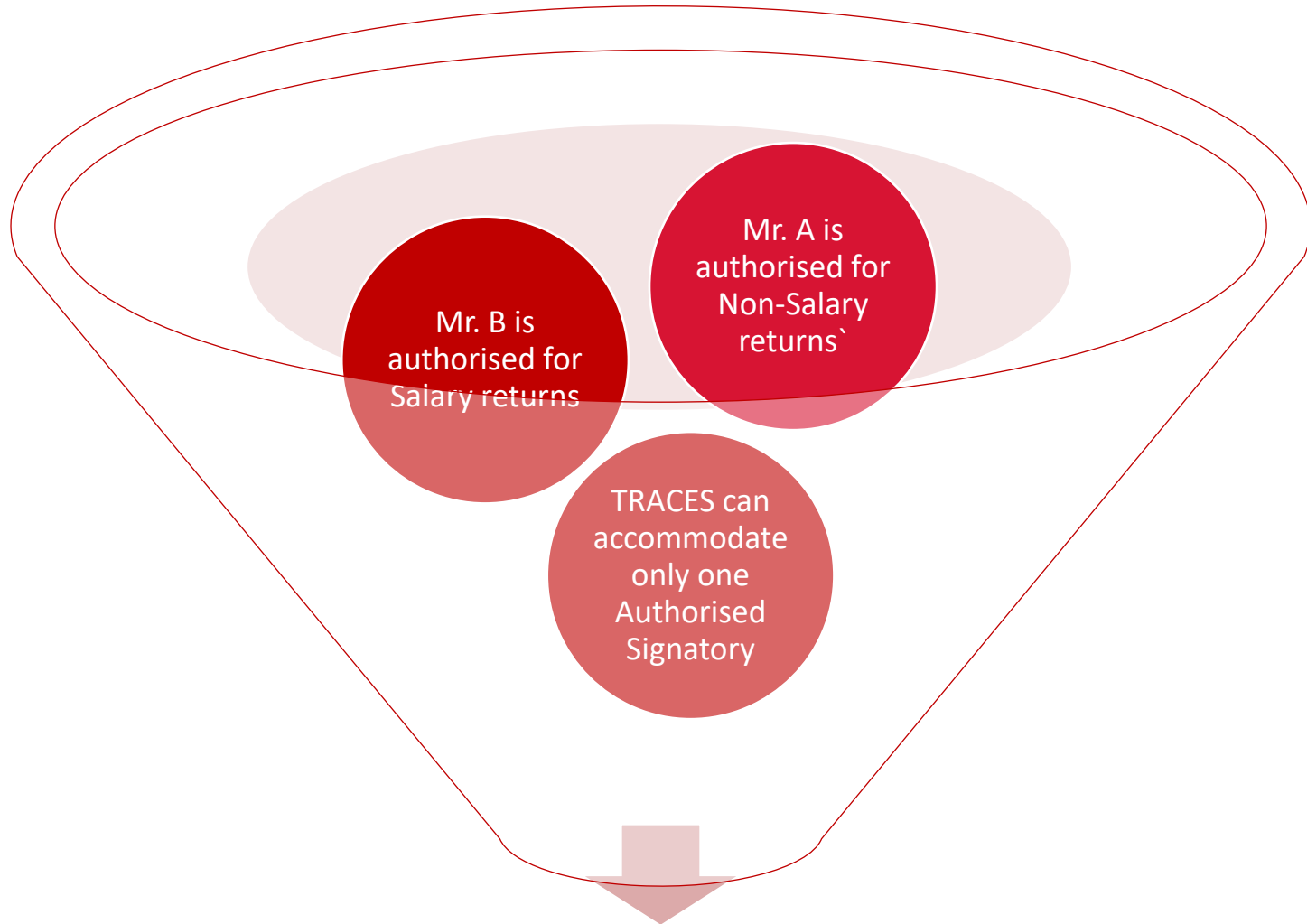
How to resolve this?

Old Demand + Correction

Will it be possible for the deductor to settle the old demands *(Period may be set in Traces)* by paying taxes and interest without any obligation to compulsorily file correction statement?

Minor amount demands

- Immaterial short-deductions of say Rs. 5 *(or less than 10) because of* rounding off.

- Unless tax is deposited and correction return is filed, these demands can not be removed

Solution:

a. Immaterial demands may be ignored

b. Demand for interest can be removed by AO, on application

c. Other demands can be removed only through corrections

Incorrect bank account details for refund

- Refund issued for TDS

- Refund returned due to incorrect bank details / bank account closed by the time refund is sanctioned by AO

What is the procedure to re-claim of refund after getting bank details updated?

Proviso to Section 201(1)

- 24Q filed with a deduction of Rs. 50,000 as tax of employee

- Tax Deductible as per law: Rs. 55,000

- Employee has filed already filed his return u/s 139

Solution -

1. Deductor to raise online 26A request for each such PAN of short-deduction. This request will be pushed to e-filing portal.

2. Deductor to identify and authorise practicing CA to certify annexure A (*steps similar to add CA for audit report etc.*) on normal e-filing portal.

3. Online certification by CA on e-filing portal.

4. Digitally signed 27A pushed back to TRACEs.

5. Short-deduction deleted and late deduction interest demand generate.

6. Deposit challan and adjust demand.

Interest adjustment issues

Problem : Demand of interest for X amount

Case 1: I had *suo-moto* deposited interest before filing return and even considered challan in my TDS return

Case 2: I immediately deposited interest but demand still not deleted OR

Now, do I need to intimate AO or file correction return to get demand adjusted?

Case 3: I want to deposit interest but have no clue regarding section head

Demand u/s 221

Problem:

- Demand of interest for X amount was raised by TRACE on 01-04-2014

- Interest was deposited on 05-05-2014

- Correction return filed on 25-05-2014 and processed on 05-06-2014

- Fresh demand of section 221 raised

Should I deposit this demand?

TAN mixed up in challans

- A company has two TANS for location A and Location B.

- By mistake tax of TAN A, deposited in TAN B.

How to resolve this problem?

How to claim of refund of excess TDS deposited by way of filing Form 26B online on TRACES Website?

Challan inter field issues

- Actual liability: Tax – 50000, Interest – 2000
- In Challan: Tax – 51000, Interest – 1000

➢ **How do I use 2000 as Interest in return?**

➢ **Should I deposit 1000 again?**

➢ **Do I need to get challan corrected?**

Correct challan presentation

Challan details:

Field	In Actual Challan	To be reported in return	Remarks
Serial No.		XX	
Section	XXX	XXX	Put any – no relevance
Income Tax	51,000	50,000	Amount entered in *actual challan* has no relevance. Amount entered in respective challan field of TDS return will only be considered and processed as if it is the value to be assigned to a particular field.
Fee u/s 234E			
Surcharge			
Education Cess			
Interest	1,000	2,000	
Penalty			
Other Amount Paid			
Total	**52,000**	**52,000**	**Total of actual challan and in return should always match, else mismatch may occur**
TDS Interest Amount		2,000	Amount entered here can not exceed amount of Interest entered above
TDS Other Amount			

PAN corrected. Demand not deleted

- Deductee' correct PAN: AXKPB3856J

- PAN mentioned in original return: AYPPB3365I. Demand raised since PAN was invalid.

- Correction statement filed.

- I am able to generate form 16A on correct PAN but demand still not deleted.

Is it a system error? How to overcome this problem?

Understanding system logic

Character no:	1	2	3	4	5	6	7	8	9	10	Total
PAN before correction	A	Y	P	P	B	3	3	6	5	I	
PAN after correction	A	X	K	P	B	3	8	5	6	J	
	↓	↓	↓	↓	↓	↓	↓	↓	↓	↓	
Change?	N	Y	Y	N	N	N	Y	Y	Y	Y	
Change score for Alphabets		1	1							1	**3**
Change score for Numerics							1	1	1		**3**

Date of credit v/s date of deduction in salary

- Date of credit of salary to director: 31/03/2018 (FY 2017-2018). No TDS was deducted at the time of credit u/s 192.

- Date of actual payment of salary as well as TDS: 02/06/2018

➢**Which assessment year to be mentioned on challan?**

➢**In which return this deduction should be disclosed and how?**

Can I use challan next year?

- AY 2018-2019 – Tax deposited u/s 192 – **10 Lacs.** Used in 24Q: **6 Lacs**

- Tax for other returns already deposited, thus **excess tax paid this year: 4 lacs u/s 192**

➢**Should I file refund to get back excess tax deposited?**

➢**Can I use it in next FY?**

➢**Can I use it against non-salary TDS liability in next year?**

Challan related issues

Q: After using challan in various quarters as well return type, I am still left with some "unconsumed" amount in challan of FY 2017-2018. Is it possible to "consume" this "unconsumed" amount in FY 2018-2019?

A: Yes. You may use challan of FY 2017-2018 like this:
a. FY 2016-17   (Challan year -1)
b. FY 2017-18   (Challan year)
c. FY 2018-19   (Challan year +1)

☛ Any further excess can only be refunded!

Challan related issues

Q: Can I knock off "Company" deductee against challan with "non-company" code?

A: Yes. Company deductee and non-company deductees codes in challan are used only for statistical purposes!

Q: While depositing TDS in bank, by mistake entered minor code 400 instead of 200 in challan. Can I use this challan to discharge my regular liability?

A: Yes. Simply select 400 in challan detail, while preparing your return and use like normal challan.

Challan related issues

Q: Is it possible to use one challan in multiple quarters?

A: Yes

Q: Can I use challan deposited for section 194C to discharge liability for section 194J (with in same return type)?

A: Yes

Challan related issues

Q: Can I use challan deposited for non-salary (Say sec. 195) to discharge liability for Salary (sect. 192) (i.e in different return type)?

A: Yes. From FY 2013-2014 onwards, challan section head has no relevance. One challan can be used in multiple types of returns (26Q/27Q/27EQ/24Q).

You may suggest your client to deposit only single challan for a particular month for regular TDS liability.

Section 197 certificate demand

- Certificate u/s 197 issued for 5 lac value @ 1% u/s 194J

- Total amount paid 5,60,000 @ 1%.

- Demand for Rs. 5400/- raised - deposited with interest.

How to prepare correction return to close this demand?

Challan Deposit Date* From [____] 🗓 To [____] 🗓 Challan Status ----Select---- ▼ Go
(dd-mmm-yyyy; e.g., 12-Dec-1980)

Search Option 2

BSR Code* [6910333] Date Of Deposit* [30-Apr-2013] 🗓 Challan Serial Number* [19427] Challan Amount (₹)* [4596659.00] Go
(dd-mmm-yyyy; e.g., 12-Dec-1980)

Challan Details

ⓘ Click on a row to proceed

Date Of Deposit	Challan Serial Number	Challan Status	Challan Amount(₹)
30-Apr-2013	19427	Claimed	4,596,659.00

[View Consumption Details]

Challan Consumption Details

Token Number	Financial Year	Quarter	Form Type	Claimed Amount(₹)	Challan Status	Excess Amount Claimed(₹)
0617XXXXXXX8910	2012-13	Q4	27Q	2,374,260.00	MATCHED	0.00
0617XXXXXXX7566	2013-14	Q1	27Q	2,222,399.00	OVERBOOKED	2,222,399.00

◄◄ ◄ Page 1 of 1 ► ►► View 1 - 2 of 2

Available Amount(₹) : 2222399.00

Search Option 2

BSR Code*	6910333	Date Of Deposit* (dd-mmm-yyyy; e.g., 12-Dec-1980)	30-apr-2013
Challan Serial Number*	19427	Challan Amount (₹)*	4596659.00	Go

Challan Details

ℹ Click on a row to proceed

Date Of Deposit	Challan Serial Number	Challan Status	Challan Amount(₹)
30-Apr-2013	19427	Claimed	4,596,659.00

View Consumption Details

Challan successfully adjusted in both FYs

No overbooking

Challan Consumption Details

Token Number	Financial Year	Quarter	Form Type	Claimed Amount(₹)	Challan Status	Excess Amount Claimed(₹)
1003XXXXXXX8702	2013-14	Q1	27Q	2,222,398.95	MATCHED	0.00
0617XXXXXXX8910	2012-13	Q4	27Q	2,374,260.00	MATCHED	0.00

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Available Amount(₹) : 0.05 ———— Challan is fully adjusted now

Open house...

Thanks for your time!