Do's and Don'ts

1. Tax Deposit

(a) TDS/ TCS

i.   Use challan type 281 for deposit of TDS/TCS.

ii.   Quote the correct 10-digit Tax Deduction Account Number (TAN), and name & address of the deductor on each challan used for depositing tax. You may verify your TAN details from Income Tax Department web-site (www.incometaxindia.gov.in) prior to depositing TDS/TCS.

iii.   Use separate challans to deposit tax deducted under each section and indicate the correct nature of payment code in the relevant column in the challan. (For example, 94C for payment to contractors and sub-contractors, 94I for rent. List of codes is mentioned at the back of challan 281).

iv.   Use separate challans to deposit tax deducted for different types of deductees,i.e. Corporate or Non Corporate, and indicate the type of deductees in the relevant column in the challan. (For example, in challans to deposit tax deducted from corporate deductees, indicate "COMPANY DEDUCTEES - 0020" and for non corporate deductees indicate "NON-COMPANY DEDUCTEES - 0021").

(b) Advance Tax / Self-assessment Tax / Tax on Regular Assessment / Surtax / Tax on Distributed Profits of Domestic Companies / Tax on Distributed Income to Unit holders.

i.   Use challan type 280 for all the above mentioned tax payments.

ii.   Quote the correct Permanent Account Number (PAN) and name & address on each challan used for depositing the tax. PAN is a unique 10-digit alphanumeric number allotted by ITD to all taxpayers.

iii.   Use Separate challans to deposit taxes for each of the above-mentioned tax and indicate the relevant code (for example 100 for advance tax, 300 for self assessment tax).

DON'Ts

i)   Do not use incorrect type of challan.

ii)   Do not make mistake in quoting PAN / TAN..

iii)   Do not give PAN in place of TAN or vice versa.

iv)   Each branch / division of an entity will have a separate TAN if it is filing separate TDS/TCS returns. However, there will be only one PAN for a legal entity.

v)   Do not use a single challan to deposit tax deducted under various sections.

vi)   Do not use a single challan to deposit tax deducted for corporate and non corporate deductees.

vii)   Do not use same challan for depositing various types of tax like advance tax, selfassessment tax etc.

viii)   Do not make mistake in the F.Y. and A.Y. to be indicated in the challan.

ix)   If you have multiple TANs for the same division filing TDS statements, do not use different TANs in different challans. Use one consistently and surrender the others.

x)   Do not use the preprinted Challans you receive without verifying whether the TAN / PAN quoted in these challans belongs to you. You can verify the same from the allotment letter you have received from NSDL or from ITD website.

2. Proof of Payment:

(a)   After the taxes are paid, the collecting bank branch will give you a counter foil as acknowledgement for the taxes paid. Ensure that the bank has mentioned the Challan Identification Number (CIN) on the counter foil. If not, immediately take up the matter with the bank.

(b)   CIN comprises of the following:

Sr. No.	CIN Particulars	No. of characters
1	Bank Branch Code (BSR code)	7 digits
2	Challan serial number	upto 5 digits
3	Date of tender of challan	DD/MM/YYYY

3. Verification of tax payment information transmitted to TIN

(a) The collecting bank branch will transmit the details of taxes deposited by you to the "Tax Information Network" (TIN) through the Online Tax Accounting System (OLTAS).

(b) All details of your payment as uploaded by the banks are available at the NSDL website www.tin-nsdl.com under the link "Challan Status Enquiry".

(c) You must verify the details that have been captured and transmitted by the bank. To view these details, click on "Challan Status Enquiry" link.

(d) The below screen (Figure 1) will be displayed. There are two types of views for taxpayers; CIN Based View and TAN Based View.

(Figure 1)
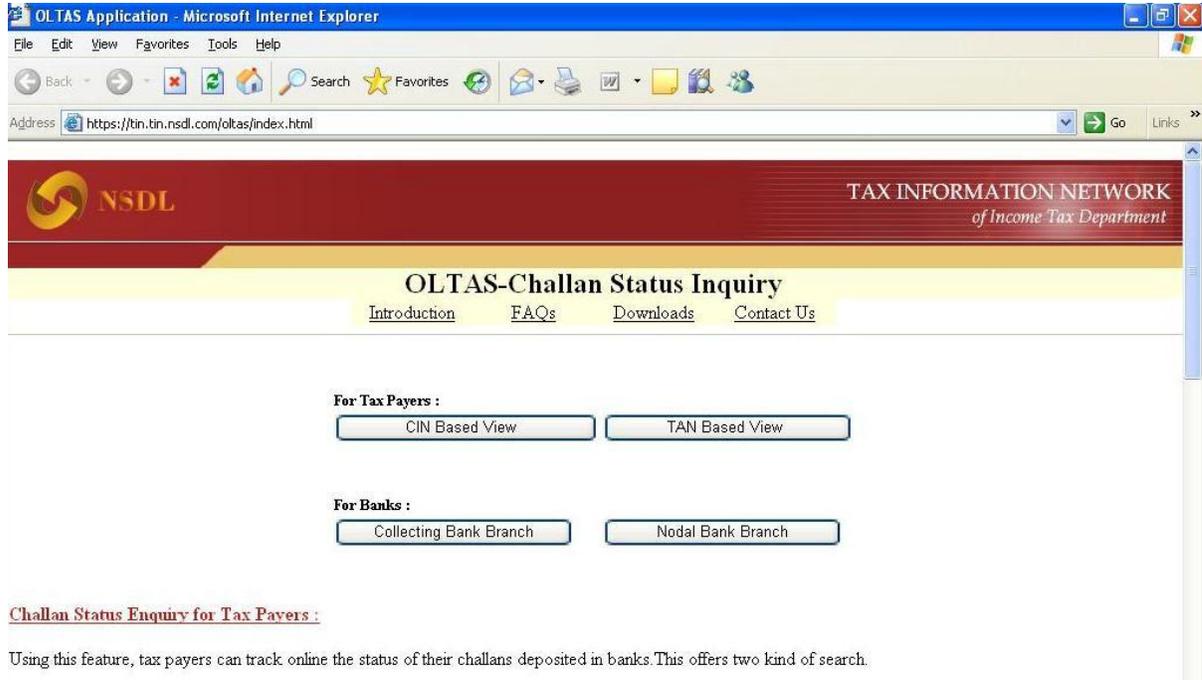
(e) Through CIN Based View (Figure 2) details of any particular challan can be verified.

Figure 2 - CIN Based View

In Figure 2 input criteria will be the CIN data as provided on the challan counterfoil.

(f) You will be able to view the following details on the screen

Sr. No.	Particulars
1	Bank Branch Code (BSR code)
2	Challan serial number
3	Date of tender of challan
4	Major head Code – Description
5	TAN / PAN
6	Name of the Tax payer
7	Received by TIN on (date of receipt by TIN)

(g) The amount field is optional and if you submit the amount data as an input and the amount of tax mentioned by you is correct then "amount matched" will be displayed along with the above details.

(h) If the CIN entered by you is correct but the amount stated as input is incorrect then amount not matched" will be displayed.

(i) In case the details are not available with TIN then "No records found for the above query" will be displayed. The details may not be available with TIN in case the bank has not uploaded the tax collected data to TIN or the Challan Identification Number uploaded by the bank is different then the CIN issued to you. You may contact the bank branch where the tax has been deposited.

(j) Through the TAN Based View (Figure 3) details of all challans deposited in the banks for a given TAN during a specified period can be viewed.

Figure 3 - TAN Based View

4. Rectitification of errors in challan

(a) You may contact your bank (i) If any challan deposited in the bank is not being displayed (ii) name, amount and major head code displayed is incorrect.

(b) For rectification in TAN/PAN, assessment year and minor head code you may contact your TDS assessing officer.

5. Preparation of e-TDS statement

(a) Prepare the statement as per the file format specified by ITD. It can be prepared using in house facility or by using any third party software (list of software vendors is available at NSDL-TIN web-site (www.tin-nsdl.com). You can also use the software (Return Preparation Utility - RPU) developed by NSDL. This utility is freely downloadable from NSDL-TIN web-site.

(b) At the time of preparing quarterly e-TDS/TCS statements, the following precautions need to be taken:

i. Quote the correct TAN, name & address. TAN should be the same as quoted in your tax payment challans.

ii. Provide details of challans through which taxes have been deposited in the bank (i.e. the amount of tax deposited and CIN). Verify the CIN details uploaded by the banks to TIN (as explained in item No. 3) before these details are included in the statement.

iii. The challan amount mentioned in the statement (item 4 in TDS form) should be exactly the same amount as deposited through the challan. This will enable matching the challan details provided by you in the statement with the challan details uploaded by banks.

iv. Against each challan, indicate the details of deductees on whose account the tax has been deducted.

v. Even if the actual tax deposited through the challan is higher than the total of the amount of tax deducted on account of the deductees, challan details should contain the amount deposited as per the counter foil.

vi. If TDS for two months (June and July) was paid using one challan, the same challan details can be repeated in item 4 of the TDS form for both Q1 and Q2. However, please ensure that the total TDS deposited for the corresponding deductees given in statements for both quarters should be less than or equal to the challan amount.

vii. Obtain and quote correct Permanent Account Numbers (PAN) for the deductees.

c) Salary details (Annexure 2) are to be provided only for Quarter 4 (Form 24Q). There should be no salary detail annexure for the first three quarters.

d) The correct format in which the details of deductees, on whose account tax has been deducted are to be provided in the NSDL RPU (annex 1), is as per Table 1 below which gives details regarding three challans with five deductee records each:

Details of challans through Deductee details which taxes paid					Deductee Details				
Challan Sr.No	BSR Code	Serial No.	Date of deposi	Total tax deposite	Sr.No.	PAN of the deducte	Amount paid	Tax Deducted	Tax deposite
1	0001234	23	06-05-2005	15000	1	PAN 1	300000	3000	3000
1	0001234	23	06-05-2005	15000	2	PAN 2	300000	3000	3000
1	0001234	23	06-05-2005	15000	3	PAN 3	300000	3000	3000
1	0001234	23	06-05-2005	15000	4	PAN 4	300000	3000	3000
1	0001234	23	06-05-2005	15000	5	PAN 5	300000	3000	3000
2	0001234	30	06-06-2005	5000	1	PAN 3	10000	1000	1000
2	0001234	30	06-06-2005	5000	2	PAN 4	10000	1000	1000
2	0001234	30	06-06-2005	5000	3	PAN 6	10000	1000	1000
2	0001234	30	06-06-2005	5000	4	PAN 1	10000	1000	1000
2	0001234	30	06-06-2005	5000	5	PAN 10	10000	1000	1000
3	0001234	15	06-07-2005	10000	1	PAN 2	100000	2000	2000
3	0001234	15	06-07-2005	10000	2	PAN 4	100000	2000	2000
3	0001234	15	06-07-2005	10000	3	PAN 7	100000	2000	2000
3	0001234	15	06-07-2005	10000	4	PAN 8	100000	2000	2000
3	0001234	15	06-07-2005	10000	5	PAN`1	100000	2000	2000

Table 1 (correct format)

(e) After the file is prepared, the file has to be validated using NSDL's File Validation Utility (FVU) which is also available at the NSDL web-site.

(f) In case of a valid file for Form No. 26Q, the FVU will generate three files as follows:

      i. FORM26Q.html - 'TDS/TCS Statement Statistics Report'
      ii. FORM26Q_PAN_Statistics.html – PAN Statistics Report
      and iii. FORM26Q.fvu - 'upload file'.

g) FORM26Q.html is a 'TDS / TCS Return Statistics Report' which is a summary of the e-TDS/TCS return successfully validated by the FVU.

Verify that the control totals along with the TAN, assessment year and other details in the e-TDS/TCS statement matches with the corresponding values given in Form 27A which is to be submitted in physical form along with the e-TDS / TCS statement.

h) FORM 26Q_PAN_STATISTIC.html is a PAN Statistics Report which contains list of deductee PAN deficiencies like invalid PAN, PAN not available, PAN applied.

i) FORM26Q.fvu is an 'upload file' generated with the same filename as the 'input file' but with extension .fvu. Example 'input file' name is FORM26Q.txt, the upload file generated will be FORM26Q.fvu.

Copy the .fvu file on a floppy / Compact disk and affix a label mentioning the TAN, Assessment Year, Form No., Periodicity and Name and furnish the same to any TIN Facilitation Centre alongwith Form 2A in physical form.

DON'Ts

i) Do not furnish statement in a format other than text format. This means excel, word files etc., will not be accepted. In case you are using NSDL RPU, which is an excel based utility, click the "create file" icon to generate the text file after the data has been entered correctly.

ii) Do not furnish the statement without validating it by using the FVU. The FVU generated file will have an extension .fvu

iii) Do not make mistake in quoting TAN in the statement.

iv) Do not mention CIN other than that provided by the bank.

v) Do not mention the challan form no. (i.e. ITNS 281) as challan serial no. in the TDS/TCS statement.

vi) Do not make mistake of breaking the challan amount to match with the deductee amount and providing one challan entry against each deductee as given in table 2 below. The correct format for the same return is given as table 1 above.

Details of challans through which taxes paid					Deductee details Deductee Details				
Challan Sr.No	BSR Cod	Serial No.	Date of deposi	Total tax deposite	Sr.No.	PAN of the deducte	Amoun t paid	Tax Deducted	Tax deposite
1	0001234	23	06-05-2005	15000	1	PAN 1	300000	3000	3000
1	0001234	23	06-05-2005	15000	2	PAN 2	300000	3000	3000
1	0001234	23	06-05-2005	15000	3	PAN 3	300000	3000	3000
1	0001234	23	06-05-2005	15000	4	PAN 4	300000	3000	3000
1	0001234	23	06-05-2005	15000	5	PAN 5	300000	3000	3000
2	0001234	30	06-06-2005	5000	6	PAN 3	10000	1000	1000
2	0001234	30	06-06-2005	5000	7	PAN 4	10000	1000	1000
2	0001234	30	06-06-2005	5000	8	PAN 6	10000	1000	1000
2	0001234	30	06-06-2005	5000	9	PAN 1	10000	1000	1000
2	0001234	30	06-06-2005	5000	10	PAN 10	10000	1000	1000
3	0001234	15	06-07-2005	10000	11	PAN 2	100000	2000	2000
3	0001234	15	06-07-2005	10000	12	PAN 4	100000	2000	2000
3	0001234	15	06-07-2005	10000	13	PAN 7	100000	2000	2000
3	0001234	15	06-07-2005	10000	14	PAN 8	100000	2000	2000
3	0001234	15	06-07-2005	10000	15	PAN`1	100000	2000	2000

Table 2 (wrong format)

6. Status Verification of e-TDS/TCS statement furnished to TIN

(a) You can verify the status of your statements through TIN website. To view these details, click on "Quarterly Statement Status".

(b) Enter TAN and Provisional Receipt Number (PRN) of the statement for which the status needs to be verified.

(c) These views are available only for e-TDS/TCS statement for F.Y. 2005-06 and onwards.

(d) You can verify the information without any other authentication. In this case no financial information will be displayed. You can also enquire on the above information from TIN Call Centre.

(e) In case you have a Digital Signature Certificate (DSC) you can verify the above details along with the financial information.

7. View Annual Tax Statement (Form 26AS)

You can register online at the NSDL-TIN website (www.tin-nsdl.com) and view details of tax deducted/collected on your behalf by the deductor/collector and also details of any advance tax, self assessment tax deposited by you.

8. Rectification of errors in e-TDS/TCS statments

((a) In case you have made any errors in the e-TDS/TCS statement, you can rectify the same using the file format for correction available on the NSDL-TIN web-site (www.tin- nsdl.com).

(b) NSDL has also provided RPU for preparation of correction statement. It is freely downloadable from NSDL-TIN website.

NSDL Deductors' Manual is freely downloadable from NSDL-TIN web-site (www.tin- nsdl.com).

In case you require any further assistance or clarification, you may contact TIN Call
Centre at the following
address.

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