



# दीन दयाल उपाध्याय कॉलेज DEEN DAYAL UPADHYAYA COLLEGE

(दिल्ली विश्वविद्यालय) (UNIVERSITY OF DELHI)

दिल्ली रा. रा. क्षेत्र सरकार द्वारा 100% वित्त पोषित, 100% funded by Govt. of NCT of Delhi  
सेक्टर -3, द्वारका, नई दिल्ली Sector-3, Dwarka, New Delhi – 110078  
दूरभाष/Tel. 011- 41805580, 45051037, Website: <https://dducollegedu.ac.in>



## Meaning, Importance and Types of TDS

### Methods for collection of Direct taxes by the Govt

- 1) **Tax Deducted at Source (TDS)**
- 2) **TCS** : by the seller from the buyer at the time of sale u/s 206 C
- 3) **Advance Tax** : Advance Tax instalments or any tax paid till 31<sup>st</sup> March of the relevant financial year by **the taxpayer (recipient of income/payment)**
- 4) **Self-Assessment Tax (Voluntarily)** after 31<sup>st</sup> March and till filing of return ( any tax remaining unpaid)

### Meaning of TDS:

The scheme of TDS aims to collect the tax at the point of very source of income.

**TDS is a tax deducted** by a person liable /responsible to **deduct tax (called the Deductor) at the time of credit or payment of income/specified types of payment to the recipient (called the deductee).**

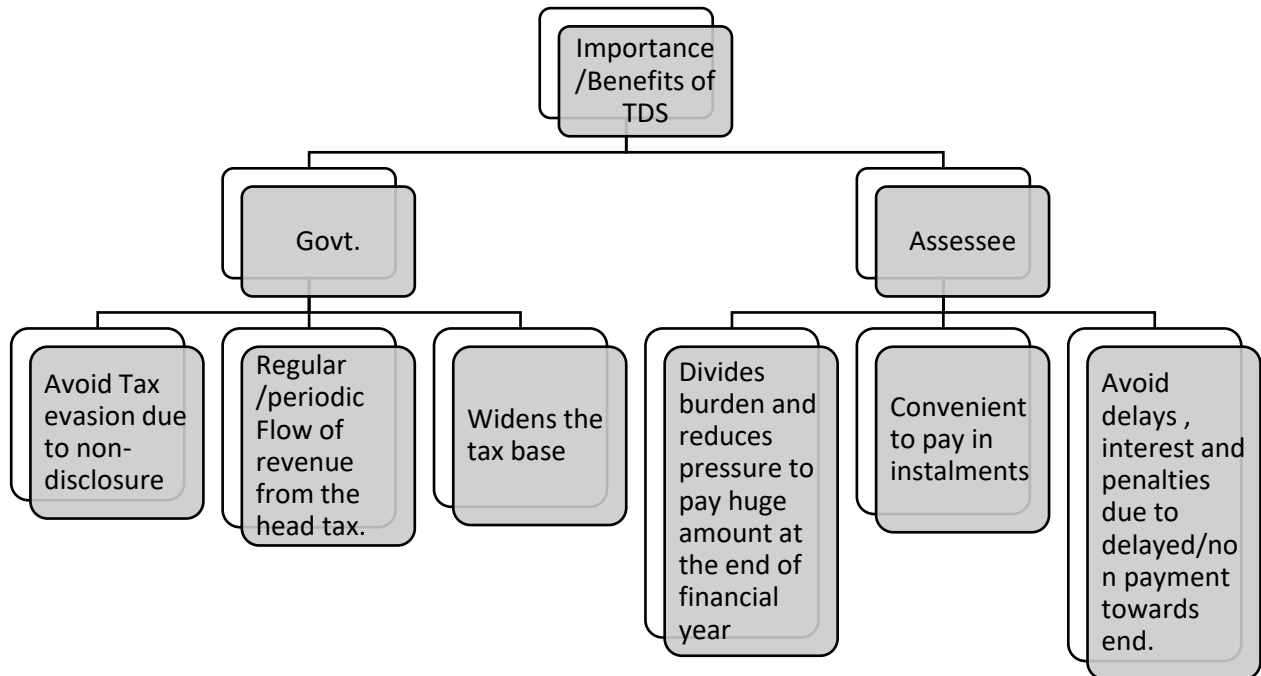
The scheme provides that the person (deductor) who is liable to make payment of specified nature (income or otherwise) to any other person (deductee) shall deduct tax at source and deposit the same into the account of the Central Government for and on behalf of deductee. The deductee from whose income tax has been deducted at source is eligible to get credit of the amount so deducted on the basis of Form 26AS or TDS certificate issued by the deductor. If deductor fails to deduct and/or pay to the Govt. partly/wholly, he shall be deemed to be an assessee in default.



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## ADVANTAGES OF TDS

### 1) From the Deductee's point of view

- TDS ensures that income tax is deducted from income of an individual in advance at periodic intervals. Hence, it allows the deductee to plan the finances in advance.
- TDS enables an individual to pay his/her income tax as and when he/she earns it. TDS will not put pressure on income towards the end of the year.
- Payment of high/ lump-sum amount of tax at one go is not feasible for every individual. As TDS gets deducted from one's income periodically, paying tax becomes convenient for the individuals.
- Since payment of tax goes at regular intervals and almost uniformly with no obligation to use last few months' income to pay tax, it helps in avoiding delays in payment, interest on tax and penalties.

### 2) From the government's point of view

- As TDS is collected at the source, it minimises the chances of tax evasion by individuals.
- TDS acts as one of the steadiest sources of revenue for the government.
- It enables to widen the base of tax collection.



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## Rates of TDS (fixed/Variable)

Taxes are deducted at the rates specified in the relevant provisions of the Act or the First Schedule to the Finance Act. However, in case of payment to non-resident persons, the withholding tax rates specified under the Double Taxation Avoidance Agreements shall also be considered.

**Variable:** In case of payment of salary, the tax is deducted at an average rate of income tax. It varies from person to person. Generally, the employer deducts the tax from the salary on estimated basis. He is required to calculate the taxable salary and tax for the whole financial year, divide the tax in equal instalments over the relevant months of the financial year and deduct this average amount at the time of payment of salary. Since tax liability on account of salary depends on a number of factors like the income level, deductions, other income or savings reported etc., TDS amounts also vary for different months.

**Fixed:** TDS rates on all incomes/payments other than salary are fixed rates.

## Types of TDS (relevant as per syllabus)

### 1. Payments covered under Salary (Section 192)/Variable

### 2. Payments other than salary /fixed rate

- For interest on securities, (Section 193),
- For Dividends (Section 194),
- For Interest other than interest on securities, (**Section 194A**),
- For Winning from lottery, crossword puzzles etc (Section 194B),
- To contractors or sub-contractors (Section 194C)
- For Life Insurance Policy (Section 194DA),
- For rent, (Section 194I),
- for professional or technical fee (Section 194J).



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### Relevant TDS Provisions for Sem IV E filing

	Who is the Payer	TDS Section and TDS Certificate Form No.	For the month/quarter ending on	Due Date of Deposit of TDS	Form No /Due Date of filing <b>QUARTERLY</b> TDS Return	Due Date of Issuing TDS certificate
<b>TDS may be deducted/and paid to Govt monthly or quarterly</b>					<b>TDS Return is always filed Quarterly</b>	Form 16
1	TDS deducted by Govt Office and deposited without Income-tax challan	Sec 192 (salary) <b>Form No.16</b>	NA	Same date on which TDS is deducted	(Form 24Q)	By 15th day of June of the financial year immediately following the financial year in which the income was paid and tax deducted.
2	TDS deducted by Govt Office and deposited with Income-tax challan 281	Sec 192 (salary) <b>Form No.16</b>		On or before 7 days from the end of the month in which TDS is deducted	(Form 24Q)	
3	TDS deducted by other than Govt Office and deposited with Income-tax challan 281	Sec 192 (salary) /194P(pension of specified senior citizen) <b>Form No.16</b>	Any day during March till 31 <sup>st</sup> March In any of the other months	30 <sup>th</sup> April On or before 7 days from the end of the month	(Form 24Q)	
4	TDS deducted by a person other than Govt Office and Assessing officer( duly authorised) has allowed <b>quarterly deposit of TDS</b> with Income-tax challan	Sec 192 (salary)/ 194P(pension of specified senior citizen) <b>Form No.16</b>	1 30 <sup>th</sup> June 2 30 <sup>th</sup> September 3 31 <sup>st</sup> December 4 31 <sup>st</sup> March	7 <sup>th</sup> July 7 <sup>th</sup> October 7 <sup>th</sup> January 30 <sup>th</sup> April	(Form 24Q) 31 <sup>st</sup> July of financial year 31 <sup>st</sup> Oct of financial year 31 <sup>st</sup> Jan of financial year 31 May of the financial yr immediately following the financial year in which the deduction is made	
	TDS deducted by a person other than Govt Office and Assessing officer duly authorised has allowed <b>quarterly</b> deposit of TDS with Income-tax challan	*Sec 193/194/194A/194 B/194C/194DA/194I/194J <b>Form No.16A</b>	1 30 <sup>th</sup> June 2 30 <sup>th</sup> September 3 31 <sup>st</sup> December 4 31 <sup>st</sup> March	7 <sup>th</sup> July 7 <sup>th</sup> October 7 <sup>th</sup> January 30 <sup>th</sup> April	(Form 27Q/26Q) 31 <sup>st</sup> July of financial year 31 <sup>st</sup> Oct of financial year 31 <sup>st</sup> Jan of financial year 31 <sup>st</sup> May of the financial year immediately following the financial year in which the deduction is made	Form 16A 15 <sup>th</sup> August 15 <sup>th</sup> November 15 <sup>th</sup> February 15 <sup>th</sup> June

Dr Renu Aggarwal, Associate Professor in Commerce





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Who is the Payer	TDS Section and TDS Certificate Form No.	For the month/quarter ending on	Due Date of Deposit of TDS	Form No /Due Date of filing <b>QUARTERLY TDS Return</b>	Due Date of Issuing TDS certificate
	194-IA(T/f of Immovable Property)/ Form No.16B	NA	Within 30 days from the last date of month in which TDS is deducted	Form No. 26QB	within fifteen days from the due date for furnishing the challan-cum-Return
	section 194-IB (Payment of Rent )/ Form No.16C	NA	Within 30 days from the last date of month in which TDS is deducted	Within 30 days from the last date of month in which TDS is deducted as <b>Challan cum Return</b> in Form No.26QC	within fifteen days from the due date for furnishing the <b>challan-cum-Return</b>
	194M(Payment to resident contractor/professional etc) /Form No.16D	NA	Within 30 days from the last date of month in which TDS is deducted	Within 30 days from the last date of month in which TDS is deducted as <b>Challan cum Return</b> in Form No. 26QD	payee within fifteen days from the due date for furnishing the <b>challan-cum-Return</b>
	194S(T/f of Virtual Digital Asset) /Form No. 16E	NA		Form No. 26QE	payee within fifteen days from the due date for furnishing the challan-cum-Return

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### Relevant TDS sections Sem IV B Com (H): Rates,exemption etc

Section	Nature of Payment	Deductor	Deductee	Time of deduction	Any exemption from TDS /threshold limit	Rate of TDS(on 100% amount if applicable/exceeds limit)	Surcharge /Cess	15 G / 15 H	Lower /No TDS u/s 102
<b>192</b>	Salary	Employer	Employee	Payment	No TDS Up to exemption limit 2.5/3/5 lakhs as the case may be	Average rate of tax( total tax /employment period)	Yes	No	Yes
<b>193</b>	Interest on securities	Payer of interest	Resident person	Payment/credit whichever is earlier	*Interest exempt on deb of widely held co upto 5000 to only resident Individual/HUF/ *interest on CG/SG securities/*interest on listed demat securities/Cooperative society deb	10%	NIL	Yes	Yes
<b>194</b>	Dividend from Indian Co/Dividend declared and paid within India on eq/pref shares of a domestic company	Principal Officer of Domestic co	Resident shareholder	Payment/credit whichever is earlier	upto 5000 in aggregate per financial year(other than cash)	10%	NIL	Yes (Resi Indi)	Yes
<b>194A</b>	Interest other than Interest on securities e.g. interest on saving / time deposit accounts with banks/post office /cooperative bank etc	*Any person + Individual/HUF if	Resident person	Payment/credit whichever is earlier	*upto 40,000/50K(senior citizens) interest from bank, cooperative bank or post office specified scheme from all branches/5,000 p.a by any other person /interest by firm to partners/*on ZCB / Post office RD,TD,MIS, NSC various issues/Kisan and Indira Vikas Patra,etc	10%	NIL	Yes	Yes
<b>194B</b>	Income from winning from any lottery/crossword puzzle/card games and other games of any sort (in cash/kind)	Any person responsible for paying income	Any person receiving such income	Before/at the time of release of income	Upto 10,000	30% flat	NIL	No	No
<b>194C</b>	Payments for any *work contract/sub contract including supply of labour for carrying out such work	*Specified person	resident contractor/sub contractor	Payment/credit whichever is earlier	*No TDS if single payment is up to 30,000/aggregate up to 1 lakh p.a.* <b>GOODS</b> Transport operators having upto 10 carriages and provides PAN	1% for individual/2% others	NIL	No	Yes
<b>194 DA</b>	Payment under Life insurance policy including bonus(Maturity/Death)	Any person paying under Life insurance policy + bonus)	resident person	At the time of payment	No TDS if payment is less than 1 lakh p.a.in aggregate /if covered u/s 10(10D) /if ULIP payment having premium 2.5 lakhs due to death	5%	NIL	Yes	Yes
<b>194I</b>	Rent from land/building/plant/machinery/furniture/	*Any person + Individual/HUF if	Resident person ( owner/otherwise	Payment/credit whichever is earlier	up to 2,40,000 p.a./if payment to real estate Investment trust	2% for p/m/equipment and 10% for all others(excluding GST and municipal tax)	NIL	Yes	Yes
<b>194J</b>	Fee for Professional/Technical Services/Royalty/Director fee/non compete fee	*Any person + Individual/HUF if	Resident person	Payment/credit whichever is earlier	up to 30,000 p.a in each case except Director fee/paid exclusively for personal purposes of payer individual or member of HUF	<b>2%</b> fees for technical service/on operators of call centres/royalty for sale, distribution or exhibition of cinematographic films./ <b>10% for others</b>	NIL	No	Yes

**Deductor** : \*Any person including Individual/HUF if total sales/gross receipts/turnover from PGBP exceeds 1 crore/50 lakhs resp.

**\*Specified Person**: CG/SG/local authority/Statutory Co/Co./co-operative society/ Housing Construction or planning authority/ society /trust/university/Foreign Govt/enterprise etc/firm/Individual and HUF if \*

**\*work** includes advertising/broadcasting and telecasting including production of programmes for it/carriage of goods or passengers other than by railways/catering/customised manufacturing or supply of a product using his material

#### Other Provisions

**Sec 206AA** : If a deductee does not provide PAN to deductor then the deductor will charge TDS at higher of the three : sectionwise rate or normal rate or 20%

**Sec 206AB applicable to TDS other than salary and Lottery income**: when deductee defaults in filing return of income on due date + total TDS and/or TCS is equal to or exceeds 50,000 then deductor shall deduct higher of the threeTDS rates (a)twice the sectionwise rate or 9b) twice normal rate or (c) 5%

**Note**: If a deductee covered u/s 206AA and 206AB then higher of the two rates



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## Form 16/16A

### Methods to pay tax to the Govt by the Deductor /taxpayer

1. Voluntarily: payment by taxpayers as Advance Tax
2. Voluntarily: payment by taxpayers as Self-Assessment Tax
3. Compulsorily: Taxes deducted at source [TDS] by the payer of income called deductor (person responsible for TDS on specified types of payments made by it) and paid to the government on behalf of deductee .
4. Compulsorily: Taxes collected at source [TCS] by the seller at the time of sale and deposited to the government on behalf of buyer.

### Statutory Obligation of Employer to issue TDS Certificate Form 16

**Sec 203 (2) provides that every** employer covered u/s 192(1A) shall furnish a certificate to the person in respect of whose income TDS is deducted and payment has been made to the Central Government and specify the amount so paid, the rate at which the tax has been paid and such other particulars as may be prescribed within the prescribed time period. **As per Rule 31, the certificate of TDS for salary income is Form 16.**

### About Form 16:

1. **Meaning** : Form 16 is the certificate of deduction of tax at source by the employer from **essentially** the income under the head salary of the employee. This certificate provides details of TDS deducted by the employer from the taxable salary paid to the employee and other incomes if any reported by the employee to the employer during the relevant financial year. Salary is as paid u/s 17(1), (2) and (3) after considering all exemptions, deductions, rebates and reliefs.
2. It is **mandatory to issue** this certificate to employees/Tax Payers if tax is deducted at source by the employer.
3. It is not to be **issued if tax is not deducted at source** by the employer..
4. **Validity of TDS** : Form 16 downloaded **by the employer** from TRACES website are considered as valid TDS certificates, as per CBDT circular 04/2013 dated 17<sup>th</sup> April, 2013. TDS certificates downloaded from TRACES are non-editable.
5. **Contents**: it has two parts A and B.

Part A and B of certificate shall specify:—

- a. Name and Address of Employer and Employee both
- b. valid permanent account number (PAN) of the employee and employer both;



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- c. valid tax deduction account number (TAN) of the employer;
- d. Assessment Year and period within the relevant financial year.

## Part A also gives info about payment of TDS

- e. Identification Number
  - book identification number or numbers where deposit of tax deducted is without production of challan in case of an office of the Government;
  - challan identification number or numbers in case of payment through bank;
- f. Receipt Number(s)
  - receipt number of the relevant quarterly statement of tax deducted at source which is furnished in accordance with the provisions of rule 31A;
  - receipt numbers of all the relevant quarterly statements in case the statement referred to in clause (i) is for tax deducted at source from income chargeable under the head "Salaries".

## Part B also gives details of salary paid, tax due and TDS by employer.

6. **Issue Date** : Time period within which employer has to provide Form 16

Sl. No.	Form No.	Periodicity	Due date within which employer/deductor has to provide Form 16
(1)	(2)	(3)	(4)
1.	16	Annual	By <b>15<sup>th</sup> day of June</b> of the financial year immediately following the financial year in which the income was paid and tax deducted.

7. If an assessee is employed by more than one employer during the year:  
**Part A : each of the employers shall issue Part A of the certificate in Form No. 16** pertaining to the period for which such assessee was employed with him and  
**Part B : May be issued by each of the employers or the last employer at the option of the assessee.**
8. **Duplicate** : The deductor may issue a **duplicate certificate in Form No. 16** if the deductee has lost the original certificate so issued and makes a request for issuance of a duplicate certificate and such duplicate certificate is certified as duplicate by the deductor.
9. **Authentication** : Where a certificate is to be furnished in Form No. 16, the employer may, at his option, use digital signatures to authenticate such certificates. If DSC is used, the employer has to ensure that—
  - Mandatory contents are mentioned on certificates
  - the contents of the certificates are not amenable to change; and
  - the certificates have a control number and a log of such certificates is maintained by the employer





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## Form 16A:

### Statutory Obligation of Payer of an income/sum to issue TDS Certificate Form 16A

**Sec 203 (2) provides that every** person shall furnish a certificate to the person in respect of whose income /payment TDS is deducted and payment has been made to the Central Government and shall specify the amount so paid, the rate at which the tax has been paid and such other particulars as may be prescribed within the prescribed time period. **As per Rule 31, the certificate of TDS for non salary income i.e.** on any other head of income under Chapter XVII-B like interest on securities, dividend etc. **is Form 16A.**

### About Form 16 A

1. Form 16A is the certificate of deduction of tax at source provided by the payer of income or any sum /deductor to the receiver/deductee of the payment .
2. It is **issued ONLY if tax is deducted at source** by the deductor on behalf of the recipient to be paid to the Govt.
3. It is **mandatory to issue** this certificate to recipient /Tax Payers if tax is deducted at source by the deductor.
4. It is **downloadable by the deductor from TRACES** website.
5. **Contents:**

This certificate provides details of TDS by the deductor from the payment done for the relevant financial year.

The certificate shall specify:—

- g. valid permanent account number (PAN) of the deductee;
- h. valid tax deduction and collection account number (TAN) of the deductor;
- i. Identification Number
  - book identification number or numbers where deposit of tax deducted is without production of challan in case of an office of the Government;
  - challan identification number or numbers in case of payment through bank;
- j. Receipt Number(s)



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- receipt number of the relevant quarterly statement of tax deducted at source which is furnished in accordance with the provisions of rule 31A;
- receipt numbers of all the relevant quarterly statements in case the statement referred to in clause (i) is for tax deducted at source from income chargeable under the head "Salaries".

## 6. Issue Date : Time period within which employer has to provide Form 16A

Sl. No.	Form No.	Periodicity	Due date within which employer/deductor has to provide Form 16A	
(1)	(2)	(3)	(4)	
1.	16A	Quarterly	Within <b>fifteen days from the due date for furnishing</b> the statement of TDS under rule 31A.	
		<b>Quarter ending</b>	<b>Due Date of TDS Return</b>	<b>Issue Date: Within fifteen days from the due date of filing TDS Return</b>
		June 30	July 31	Aug 15
		Sep 30	Oct 31	Nov 15
		Dec 31	Jan 31	Feb 15
		March 31	<b>May 31</b>	June 15

- The deductor may issue a duplicate certificate in Form No. 16 A if the deductee has lost the original certificate so issued and makes a request for issuance of a duplicate certificate and such duplicate certificate is certified as duplicate by the deductor.
- Authentication: Where a certificate is to be furnished in Form No. 16A, the deductor may, at his option, use digital signatures to authenticate such certificates. If DSC is used, the deductor has to ensure that—
  - Mandatory contents are mentioned on certificates
  - the contents of the certificates are not amenable to change; and
  - the certificates have a control number and a log of such certificates is maintained by the employer



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## Form 13 : Certificate for deduction at lower rate u/s 197

- (a) **Meaning:** It is a form submitted by a person in receipt of income /specified payments under sections 192/193/194, 194A/C/D/G/H/I/J/K/LA/LBB/LBC/M/O and 195 covered under TDS provisions and desirous of getting a certificate from the Assessing officer for the deduction of income-tax at lower rates or no deduction of income-tax at all from the income/specified payments received by him u/s 197 provided certain conditions are met.
- (b) **Which Income/payments covered under Form 13 :** any income or sum payable to any person under sections 192/193/194, 194A/C/D/G/H/I/J/K/LA/LBB/LBC/M/O and 195.
- (c) **Who can file/Rationale :** Income-tax is required to be deducted at the time of credit of any income or sum payable to any person as per point (b) above irrespective of taxable income of the recipient of income/payments. Out of these persons , **there are** certain persons whose income is (a) either Below or up to the minimum exemption limit and hence not taxable at all or (b) Above exemption limit but taxable at a lower rate than the TDS. These persons face hardship in getting refund of TDS from the Income tax department as they might not be required to file income tax returns or their funds get unnecessarily blocked.
- To facilitate such persons , Act has provided an enabling provision of Sec 197** which provides that such a person may **apply in Form No. 13** to Assessing officer for grant of a certificate for the deduction of income-tax at lower rates or no deduction of income-tax at all from the income/specified payments received by him.
- (d) **Optional/Voluntarily :** It is voluntary for such a person to apply . Not mandatory.
- (e) **Mode of Filing Form 13 :** Rule 28 prescribes that such an application shall be in Form No. 13 electronically under digital signature / through electronic verification code.



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(f) **Criteria for Issue:** On receiving the Application in Form No 13, the assessing officer shall go through the application and decide as per the following:

a) **For income/payments other than dividend:** if the Assessing Officer is satisfied that existing and estimated tax liability of a person justifies the deduction of tax at lower rate or no deduction of tax, he shall issue a certificate for the same.

i. **Factors** to be taken into consideration for determining the existing and estimated liability:

- tax payable on estimated income of the previous year relevant to the assessment year
- tax payable on the assessed or returned <sup>2</sup>[or estimated income, as the case may be, of last four] previous years;
- existing liability under the Income-tax Act, 1961 and Wealth-tax Act, 1957;
- advance tax payment, TDS and TCS for the assessment year relevant to the previous year till the date of making application

b) **For payments of dividend:** the Assessing Officer shall issue the certificate if he is satisfied that

- i) Shares are shares in public companies and
- ii) stand in his name and are beneficially owned by him, and the dividends therefrom are not includible in the total income of any other person under sections 60 to 64

or

- i) stand in his name and are held by him under trust wholly for charitable or religious purposes, and the dividends therefrom are exempt from tax under the provisions of sections 11 to 13.

(g) **Issued to whom:** The certificate for deduction of tax at any lower rates or no deduction of tax shall be issued

- direct to the person responsible for deducting the tax/Principal officer of the company under advice to the person who made an application/ applicant shareholder for issue of such certificate if the number of persons responsible





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for deducting the tax is up to 100 or if applicant can provide details of all deductor or

- to the person who made an application for issue of such certificate, authorising him to receive income or sum after deduction of tax at lower rate if the number of persons responsible for deducting the tax is likely to exceed one hundred and the details of such persons are not available at the time of making application with the person making such application.
- (h) **Validity Period:** The certificate shall be valid for the period as specified in the certificate/ maximum three years in case of payment of dividend. The assessing officer can cancel the certificate before the specified period. Also, it shall cease to be operative from the date of notice to the company of the transfer of any of the shares mentioned therein to another person, in respect of the shares so transferred.
- (i) **Applicability:** The certificates shall be valid only with regard to the person responsible for deducting the tax and named therein and with regard to the person who made an application for issue of such certificate.
- (j) **Obligation of Deductor :** The person responsible for paying the income/ giving the payment shall deduct income-tax at the rates specified in such certificate or deduct no tax at all.



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## Form 15 G/15 H u/s 197A.

### Declaration by person claiming receipt of certain incomes without deduction of tax

- Meaning :** Form 15G/ 15H is a declaration by the recipient of income/specified payments under section 192A/ 193/ 194/194A/194D/194DA/194EE/ 194-I /194K, submitted to the payer in writing that his estimated total income of the previous year in which such income is to be included in computing his total income will be NIL and hence the payer is requested not to deduct any tax at the point of source of income.
- Essential Condition/Eligibility:**
  - only an individual who is sure that his estimated total income of the previous year in which such income is to be included in computing his total income would be NIL can avail this facility.
  - Only an individual providing PAN to the deductor can avail this facility. Otherwise Form 15G/H is treated as invalid.
- Statutory Right :** Sec 197A (1)/(1A) /(1C) of the Income Tax Act gives a right to an individual resident in India / person (not being a company or a firm) to furnish a declaration in writing in duplicate in the prescribed form (15G/15H ) and verified in the prescribed manner to the person responsible for paying any income/sum as interest, rent, dividend etc to the effect that the tax on his estimated total income of the previous year in which such income is to be included in computing his total income will be NIL.
- Prescribed Form : Rule 29C provides** that this declaration under section 197A (1)/(1A) shall be filed in Form No.15G and declaration under section 197A (1C) by a senior citizen who has completed 60 years of age shall be in Form No.15H by a person /recipient of income who is claiming receipt of income without TDS.
- Number:** 15 G /15 H has to be submitted to all payers. Hence, it can be one or multiple.
- Manner of Furnishing Form 15G/H :** It may be furnished in any of the following manners:
  - in paper form
  - electronically after duly verifying through an electronic process in accordance with the procedures, formats and standards specified.



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7. **Due Date of Filing Form 15G/15H:** There is no due date prescribed by the Act. However, the recipient should submit before expected due date of payment.
8. **Validity:** Form 15G and Form 15H are valid for one financial year (previous year). Hence, the recipient should submit these forms every year preferably at the beginning of the financial year and /or when he is sure of not reaching the threshold of TDS /taxable income level. e.g this will ensure that the bank does not deduct any TDS on interest income.
9. **Allotment of unique identification number to each form :** The payer of income/deductor shall allot a unique identification number to each declaration received by him in Form No.15G and Form No.15H respectively during every quarter of the financial year in accordance with the procedures, formats and standards specified by the Principal Director-General of Income-tax (Systems).



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## Tags in 24Q and 26Q for Lower or No deduction of TDS

The TDS return for salary 24Q and non salary return 26Q has a column in which the deductor can inform the Govt that although payment has been made to the recipient, TDS has not been deducted at all either due to exemption given by CBDT circular or due to submission of 15G/15H/Form 13 certificate. In addition, deductor also informs to the Govt via TDS Return that TDS is deducted at a Higher rate for not providing PAN to deductor or not filing Return of Income or at a lower rate as per the certificate issued by the Assessing officer u/s 197.

S.No.	TAG	24Q	26Q
1	A	TDS at Lower Rate: Form 13	TDS at Lower Rate: Form 13
2	B	No TDS : 15G/15H submitted	No TDS : 15G/15H submitted
3	C	Higher TDS due to not providing PAN to deductor u/s 206AA	Higher TDS due to not providing PAN to deductor u/s 206AA
4	E		No TDS for payment to a Fund/Authority/Board or Bodies whose income is unconditionally exempt and are not required to file Return of Income vide CBDT circular 18/2017
5	U		Higher TDS due to not filing Return of Income u/s 206AB
6	Y		No TDS as payment is not liable for TDS (Exempt/below threshold limit)
7	Z		No deduction on account of payment u/s 197a(1F)





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### Form 26AS and its extension AIS

Once a taxpayer has paid himself or payer has deposited the tax deducted or collected on behalf of taxpayer to the Govt., he needs to have a document which shall verify the same. Section 285BB of the Act facilitates the availability of an annual record of the same.

It is mandatory for the prescribed income-tax authority or the person authorised by such authority to upload in the registered account of the assessee ( Electronic filing account registered by the assessee on the e portal of the income tax authority) an annual information statement in Form 26AS. Under Rule 114-I ,the authorised person has to upload the following information which is in his possession within three months from the end of the month in which the information is received by him

1. Information relating to tax deducted or collected at source
2. Information relating to specified financial transaction
3. Information relating to payment of taxes
4. Information relating to demand and refund
5. Information relating to pending proceedings
6. Information relating to completed proceedings
7. In addition these six , he is authorised to upload the information received from any officer, authority or body performing any function under any law or the information received under an agreement referred to in section 90 or section 90A of the Income-tax Act, 1961 or the information received from any other person to the extent as it may deem fit in the interest of the revenue .

Please refer documents of Income Tax Department for details of 26AS and AIS



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## Annual Information Statement

(a product of CBDT's e-Verification Scheme, 2021 / 13 December, 2021.)

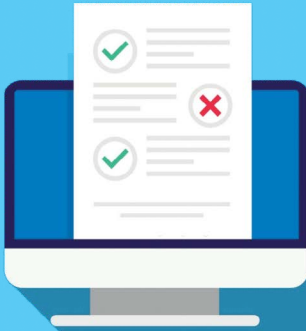
The Income Tax Department has taken several progressive steps harnessing information technology to encourage voluntary tax compliance and facilitate a transparent and non-intrusive tax administration. AIS is a product of this scheme.

### Benefits of AIS ::

Using information technology effectively, the Department has been collecting information of financial transactions of a taxpayer from multiple sources which is shared with the taxpayer and displayed to him through AIS. It will assist taxpayer in the following ways

- 1) To provide a facility to the taxpayer to object to any inaccuracy in data/information provided by Source/Reporting Entity
- 2) To enable the taxpayer to explain the financial transaction with evidence.
- 3) To inform the taxpayer about any transaction which could have been missed in computing income and taxes, and in filing Return of Income (helps in data correction/cleaning by displaying unreported or under-reported transactions and thereby prevents initiation of proceedings on misreported information.)
- 4) To provide an opportunity to the taxpayer to correct any omissions in Return of Income by filing an updated return of Income u/s 139(8A) and pay tax due on the income missed in the original Return of Income.
- 5) To provide an opportunity to the taxpayer to explain a transaction being verified before any further action by way of Assessment or Re-assessment is undertaken. The entire process of e-Verification is digital, with notices issued electronically and responses by the taxpayers also submitted electronically

# FORM 26AS



Income Tax Department  
Central Board of Direct Taxes

In order to promote transparency and simplifying the tax return filing process, CBDT vide Notification dated May 28, 2020 has amended Form 26AS vide Sec 285BB of Income Tax Act, 1961 r.w.r.114-I of Income Tax Rules, 1962 w.e.f. 01.06.2020. The new Form 26AS will provide a complete profile of the taxpayer for a particular year.

**The new Form 26AS will provide the following information about the Tax payer:**

1. Mobile no., e-mail id, date of birth/incorporation and Aadhaar no.
2. Information relating to tax deducted or collected at source.
3. Information relating to specified financial transaction (Information of property and share transactions etc.)
4. Information relating to payment of taxes
5. Information relating to demand and refund.
6. Information relating to pending proceedings.
7. Information relating to completed proceedings.
8. Information received by Income Tax Department from any other country under the treaty/exchange of information about income or assets of the taxpayer located outside India.
9. Further an enabling provision has been notified empowering the CBDT to authorize DG Systems or any other officer to upload in this form, information received from any other officer, authority under any law. Thus any adverse action initiated or taken or found or order passed under any other law such as custom, GST, Benami Law etc. including information about Turnover, import, export etc. may be made a part of Form 26AS.

**Note: Form 26AS can be viewed from assessment year 2009-10 onwards. Form 26AS also shows current status of PAN (active/inactive/deleted).**



## HOW TO VIEW YOUR FORM 26AS?

Tax Credit Statement (Form 26AS) can be viewed/ accessed in three ways :

I

### View Tax Credit from <https://www.incometax.gov.in>

Taxpayers who are registered at the above portal viz <https://incometax.gov.in> can view 26AS by login using username and password. Clicking on 'View Form 26AS (Tax Credit)' in "Income Tax Returns" under e-file option, and then provide the required details like assessment year, view type and then same can be viewed. The facility is available free of cost and registered user may use the link <https://incometax.gov.in> for this purpose.

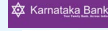
II

### View Tax Credit (Form 26AS) from bank site through net banking facility

The facility is available to a PAN holder having net banking account with any of authorized banks\*. View of Tax Credit Statement (Form 26AS) is available only if the PAN is mapped to that particular account. The facility is available free of cost.

### \*List of Banks registered for providing view of Form 26AS:

1. Axis Bank
2. Bank of Baroda
3. Bank of India
4. Bank of Maharashtra
5. Canara Bank
6. Citibank N.A.
7. City Union Bank Ltd.
8. ICICI Bank Ltd.
9. IDBI Bank Ltd.
10. Indian Overseas Bank
11. Indian Bank
12. Jammu & Kashmir Bank Ltd.
13. Karnataka Bank Ltd.
14. Kotak Mahindra Bank Ltd.
15. Punjab and Sind Bank
16. State Bank of India



17. The Federal Bank Ltd.
18. The Karur Vysya Bank Ltd.
19. The Saraswat Co-operative Bank Ltd.
20. UCO Bank
21. Union Bank of India
22. HDFC Bank Limited
23. Central Bank of India
24. Punjab National Bank
25. IndusInd Bank
26. YES Bank Limited.
27. Equitas Small Finance Bank.



**Note: This option does not require any separate registration as the KYC of the taxpayer has already been done by the concerned bank.**



**View Tax Credit from**  
<https://www.tdscpc.gov.in>

### **For Resident Taxpayers:**

A resident taxpayer first need to register on TRACES (<https://tdscpc.gov.in>). Then Form 26AS can be viewed by clicking on 'View Tax Credit Statement (Form 26AS)' after login as "Taxpayer" and filing in required details like password and relevant assessment year.

### **For Non-Resident Taxpayers:**

An NRI taxpayer can view tax credit from <https://www.nriservices.tdscpc.gov.in>. NRI taxpayers first need to register at TRACES Portal. A request can be raised to view/download Form 26AS by clicking on 'View Tax Credit Statement (Form 26AS)' after login as "Taxpayer" and filling in required details like password and relevant assessment year.

Form 26AS statement can be downloaded either as PDF/text/excel file or can be viewed as HTML.

All the web links referred here can also be accessed on the national website of Income Tax Department ([www.incometaxindia.gov.in](http://www.incometaxindia.gov.in)), where there is an option to view the tax credit - the user is taken to the e-filing website, internet banking or TRACES website based on the choice of the taxpayers to view his tax credit.

**Note: For voluminous records, a request for downloading Form 26AS as text file, needs to be submitted at TRACES by the user.**

**The transactions under Statement of Financial Transactions (SFT) Code which will get captured in New Form 26AS include –**

<b>S. No.</b>	<b>Nature of Transaction</b>	<b>Monetary Threshold of Transaction</b>
1	Cash Payment or issuance of DD or Pay orders or any other Bank instruments	In excess of Rs. 10 Lakh in a F.Y.
2	Purchase of pre-paid instruments in cash	Payment in cash aggregating to 10 Lakh or more
3	Cash deposit/ withdrawal in current account	aggregating to 50 Lakh or more
4	Cash deposit in one or more accounts other than current account and time deposit	aggregating to 10 Lakh or more
5	Time deposit (Other than time deposit made through renewal of another time deposit)	aggregating to 10 Lakh or more
6	Payment for credit card	Made by any person of an amount aggregating to 1 lac or more in cash or 10 Lakh or more by any other mode
7	Purchase of debentures	aggregating to 10 Lakh or more
8	Purchase of shares (including share application money)	aggregating to 10 Lakh or more
9	Buy back of shares	aggregating to 10 Lakh or more
10	Purchase of mutual fund units	aggregating to 10 Lakh or more
11	Purchase of foreign currency	aggregating to 10 Lakh or more

12	Purchase or sale of immovable property	30 Lakh (individual transaction)
13	Cash payment for goods and services	2 Lakh (individual transaction)
14	Cash deposits during specified period (9th Nov to 31 <sup>st</sup> Dec, 2016)	(a) Rs. 12.5 Lakh or more in one or more current account of a person, or (b) Rs. 2.5 Lakh or more in one or more account other than current account of a person

For any clarification regarding Form 26AS, contact the authorities as mentioned below:

<b>Part of the Form 26AS</b>	<b>Contact for Clarification and Remedy</b>
A, A1 & A2	Deductor
B	Collector
C	Assessing officer/Bank
D	Assessing officer/ITR-CPC
E	Concerned AIR filer
F	NSDL/Concerned Bank Branch
G	Respective TAN Holder





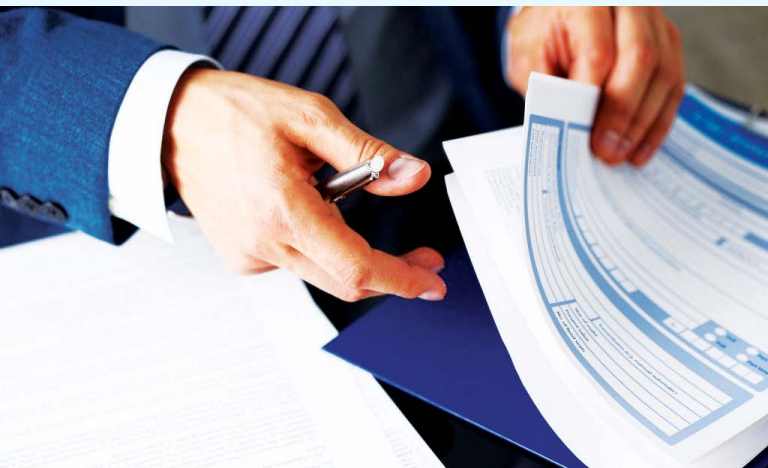
## **USEFULNESS OF TAX CREDIT STATEMENT (FORM 26AS):**

Following information is available in Form 26AS of a taxpayer which is helpful for him in furnishing his ITR and ensuring other tax compliances.

- View of all financial transaction involving TDS/TCS during the relevant Financial Year at one place.
- View of transaction details involving No/Lower deductions.
- View of other taxes paid other than TDS/TCS.
- View of details of refund.
- TDS certificate number available in Part A2 of 26AS can be utilized for verification of TDS certificate i.e. Form 16B.
- View of current status of PAN.
- View of TDS defaults relating to all the TANs associated with the PAN.
- View of details of SFT transactions.
- View of details of turnover as per GSTR-3B

## **THE REASONS FOR NOT FINDING YOUR TAX-CREDITS IN 26AS CAN BE**

1. Tax collected by deductor not deposited in govt account.
2. TDS Return not filed by deductor.
3. Statement of tax deduction not filed with TDS Return.
4. Statement of tax deduction filed with wrong PAN which is not yours.





## FOLLOW UP WITH DEDUCTOR TO -

- Ensure that correct PAN has been intimated to the deductor.
- Ensure that the deductor has deposited tax deducted. Regular view of 26AS by the tax payer helps in timely follow up with the deductors.
- Taxpayer can use "View TDS/TCS credit" facility using the link <https://www.tdscpc.gov.in/app/tapn/tdscscredit.xhtml> to know whether the deductor/collector has filed quarterly TDS/TCS statement provided the PAN and the count on records present.


**Taxpayer can also raise a grievance at "Taxpayer Grievance Module" on TRACES.**



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## DIRECTORATE OF INCOME-TAX

(Public Relations, Publications & Publicity)

6th Floor, Mayur Bhawan, New Delhi

This Brochure should not be construed as an exhaustive statement of the law. For details reference should always be made to the relevant provisions in the Acts and the Rules

[www.incometax.gov.in](http://www.incometax.gov.in)

## **FAQ's on AIS (Annual Information Statement)**

### **Q-1 What is Annual Information Statement (AIS)?**

**Ans.**

Annual Information Statement (AIS) is comprehensive view of information for a taxpayer displayed in Form 26AS. Taxpayer can provide feedback on information displayed in AIS. AIS shows both reported value and modified value (i.e. value after considering taxpayer feedback) under each section (i.e. TDS, SFT, Other information).

The objectives of AIS are:

- Display complete information to the taxpayer with a facility to capture online feedback
- Promote voluntary compliance and enable seamless prefilling of return
- Deter non-compliance

("For more info. navigate to AIS under Services Menu after login")

### **Q-2 What is the Difference between AIS and Form 26AS?**

**Ans.** AIS is the extension of Form 26AS. Form 26AS displays details of property purchases, high-value investments, and TDS/TCS transactions carried out during the financial year. AIS additionally includes savings account interest, dividend, rent received, purchase and sale transactions of securities/immovable properties, foreign remittances, interest on deposits, GST turnover etc.

AIS also provides the taxpayer the option to give feedback on the transactions reported. Further, the aggregation of transactions on information source level is also reported in TIS.

("For more info. navigate to AIS under Services Menu after login")

### **Q-3 How can I view the Annual Information Statement?**

**Ans.** You can access the Annual Information Statement functionality by following below mentioned steps:

**Step 1:** Login to URL <https://www.incometax.gov.in/>

**Step 2:** Click on "Annual Information Statement (AIS)" under "Services" tab from the e-filing portal after successful login on e-filing portal.

**Step 3:** Click on AIS tab, on the homepage.

**Step 4:** Select the relevant FY and click on AIS tile to view the Annual Information Statement.

("For more info. navigate to AIS under Services Menu after login". More details on AIS can be found in Annual Information Statement User Guide available in "Resources" section at AIS Homepage.)

#### Q-4 What are the components of Annual Information Statement (AIS)?

Ans- The information shown on AIS is divided in two parts:

##### **PART A- General Information**

Part-A displays general information pertaining to you, including PAN, Masked Aadhar Number, Name of the Taxpayer, Date of Birth/ Incorporation/ Formation, mobile number, e-mail address and address of Taxpayer.

##### **PART- B**

- **TDS/TCS Information:** - Information related to tax deducted/collected at source is displayed here. The Information code of the TDS/TCS, Information description and Information value is shown.
- **SFT Information:** - Under this head, information received from reporting entities under Statement of Financial transaction (SFT) is displayed. The SFT code, Information description and Information value is made available.
- **Payment of Taxes:** - Information relating to payment of taxes under different heads, such as Advance Tax and Self-Assessment Tax, is shown.
- **Demand and Refund:** -You will be able to view the details of the demand raised and refund initiated (AY and amount) during a financial year. (Details related to Demand will be released soon)
- **Other Information:** - Details of the information received from the other sources, such as data pertaining to Annexure II salary, Interest on refund, Outward Foreign Remittance/Purchase of Foreign Currency etc., is displayed here.

("For more info. navigate to AIS under Services Menu after login")

#### Q-5 What does "General information" part contains under AIS?

Ans-

General information displays the general information pertaining to you, including PAN, Masked Aadhar Number, Name of the Taxpayer, Date of Birth/ Incorporation/ Formation, mobile number, e-mail address and address of Taxpayer.

("For more info. navigate to AIS under Services Menu after login")

#### Q-6 Can I track the Activity history in AIS?

Ans- Yes, you can track the activity history in AIS by clicking on the **Activity history** button on AIS homepage. You will be provided a summary view of activity performed on the AIS functionality. System generated Id (Activity ID) will be created for each performed activity, Activity date, Activity description and detail will be displayed under this tab.

("For more info. navigate to AIS under Services Menu after login")

**Q-7 What does Taxpayer Information Summary (TIS) contain under AIS?**

Ans. Taxpayer Information Summary (TIS) is an information category wise aggregated information summary for a taxpayer. It shows processed value (i.e. value generated after deduplication of information based on pre-defined rules) and derived value (i.e. value derived after considering the taxpayer feedback and processed value) under each information category (e.g. Salary, Interest, Dividend etc.). The derived information in TIS will be used for prefilling of return, if applicable.

You will be shown various details within the Taxpayer Information Summary such as,

- Information Category
- Processed Value
- Derived Value

Further, within an Information Category following information is shown:

- Part through which information received
- Information Description
- Information Source
- Amount Description
- Amount (Reported, Processed, Derived)

("For more info. navigate to AIS under Services Menu after login")

**Q-8 In what all formats can I download my AIS?**

Ans. You can download Annual Information Statement (AIS) in PDF, JSON, CSV file formats.

**Q-9 How do I submit feedback on the information?**

Ans. You can submit feedback on active information displayed under **TDS/TCS Information, SFT Information or Other information** by following below mentioned steps:

**Step 1:** Click on "Optional" button mentioned in the Feedback column for relevant information. You will be directed to 'Add Feedback' screen.

**Step 2:** Choose the relevant feedback option and enter the feedback details (dependent on feedback option).

**Step 3:** Click "Submit" to submit the feedback

("For more info. navigate to AIS under Services Menu after login")



**Q-10 What will happen once I submit the feedback?**

Ans. Upon successful submission of feedback on AIS information, the feedback will be displayed with the information and the modified value of the information will also be visible with the reported value. The activity history tab will also be updated, and you will be able to download Acknowledgement Receipt. Email and SMS confirmations for submission of feedback will also be sent. ("For more info. navigate to AIS under Services Menu after login")

**Q- 11 Is there any confirmation will be received on submission of AIS feedback?**

Ans- Yes, after successful submission of your feedback on AIS information, the activity history tab will be updated, and you will be able to download Acknowledgement Receipt of the same. Email and SMS confirmations for submission of feedback will also be sent.

**Q-12 What is AIS Consolidated Feedback file?**

Ans. AIS Consolidated Feedback file (ACF) gives the taxpayers a facility to view all their AIS feedback (other than feedback, 'Information is correct') related information in one pdf for easy understanding. After submitting the feedback of the AIS, you can download the AIS consolidated feedback file (PDF). ("For more info. navigate to AIS under Services Menu after login")

**Q-13 Is there any limit on the number of times I can modify a given feedback?**

Ans. Currently, there is no limit on the number of times you can modify previously given feedbacks.

**Q-14 Can I verify the GST turnover in AIS?**

Ans- Yes AIS does display the information related to GST turnover under information code (EXC-GSTR3B). The same would be visible in the **Other Information** tab in AIS.

**Q-15 Is there any video tutorial available for AIS?**

Ans- Yes, there is an informational video available on YouTube for AIS. This video can be accessed here [Basic information on Annual Information Statement functionality - YouTube](#)

**Frequently Asked Questions (FAQs) on e-Verification Scheme 2021.**

Note:

- I. The FAQs on the e-Verification Scheme, 2021 (hereafter 'FAQs') aim to provide general guidance in understanding the procedures and processes of the e-Verification Scheme, 2021 issued vide Notification no. 137/2021 dated 13.12.2021. These are presented in an easy-to-understand manner without using the technical wordings of the Income Tax Act, to the extent possible.
- II. These FAQs are informative and advisory in nature and are subject to updation as required. These should not be used as a basis for any legal interpretation of the e-Verification Scheme, 2021 or the Income Tax Act, 1961. The taxpayers may like to take an informed decision on their tax matters in this regard.

## **FAQs for e-Verification Scheme 2021 for uploading on [www.incometax.gov.in](http://www.incometax.gov.in)**

1. Where can I see my financial transaction reported to Income Tax Department by Sources/Reporting Entities?

The financial transactions gathered by Income Tax Department are about your receipts which attract TDS/TCS, immovable property purchase or sale, bank deposits, investment in shares/mutual funds, time deposits etc. All these transactions can be viewed by you in the AIS portal of your income tax account for FY 2020-21 onwards. The steps involved are:

- a) Login to e-filing portal by using the URL <https://eportal.incometax.gov.in/>
  - b) On the home page click the tab “Services”
  - c) Select “Annual Information Statement (AIS)” in the menu under the tab “Services”, you will be taken to the AIS portal
  - d) On the AIS portal, select the relevant Financial Year and click on “Annual Information Statement” to view the financial transactions.
2. What should I do if I find a transaction which is incorrectly recorded or which does not pertain to me?

As detailed above, once you are viewing information under AIS, click on a specific information. Once the information details are seen, on the right side is a feedback button by using which taxpayer can provide feedback from the menu options available.

3. What happens after I raise my objection to any transaction reported in AIS?

Income Tax Department will in the next 3-4 months initiate a process of contacting the Source/Reporting Entity which reported the information/transaction and will seek confirmation about the correctness of the data.

Once this process is rolled out then:

- i. If the Source/Reporting Entity agrees that there has been a mistake, the data will be corrected in due course of time after the Source/Reporting Entity files

its corrected statement. This process is done through an automated Information Technology driven procedure.

- ii. If the Source/Reporting Entity stands by the data and does not support your objection, further explanation/evidence will be called from you under the e-Verification Scheme which is explained in the following questions.

**4. What is the e-Verification Scheme, 2021?**

- i. When a financial transaction reported by a Source/Reporting Entity is not considered/included by you while filing your Return of Income, a computerized process of identification of such mismatch is undertaken.
- ii. A communication is sent to the Source/Reporting Entity seeking confirmation of the transaction/data reported by it. The Source/Reporting Entity can either confirm the information provided by it or can state that it has wrongly reported and can change the information by revising its statements filed earlier.
- iii. If the Source/Reporting Entity confirms the information, proceedings under the e-Verification Scheme will be initiated for the taxpayer, in appropriate cases. A notice u/s 133(6) will be issued to the taxpayer, electronically through the Compliance Portal which is accessible through <https://eportal.incometax.gov.in>, seeking explanation/evidence to support why the transaction has not been considered/included in the Return of Income. The notice could also be issued through Speed Post in exceptional circumstances.
- iv. The explanation/evidence/compliance to the notice u/s 133(6) of the IT Act, 1961 is to be done by the taxpayer through electronic means, using the Compliance Portal (<https://eportal.incometax.gov.in>)
- v. Based on the explanation/evidence provided, a view will be formed by the Prescribed Authority conducting the e-Verification about the transaction having been/not having been suitably reflected in the return of income.
- vi. After this process, a communication will be sent to the taxpayer informing:
  - a) No further clarification on the issue under verification proceedings is presently required from taxpayer, or
  - b) The explanation is not found sufficient to explain the mismatch in the specific information *and the taxpayer may consider updating the return of income u/s 139(8A) of the Act, if eligible.*

**5. What is the usefulness of the e-Verification Scheme, 2021?**

Various steps have been taken to facilitate voluntary compliance. Sharing of information through AIS and pre-filing of return of income being the most recent. The e-Verification Scheme is another such step. It will help:

- Correct inaccuracy in data/information provided by Source/Reporting Entity
- To inform the taxpayer about any transaction which could have been missed in computing income and taxes, and in filing Return of Income.
- To provide an opportunity to the taxpayer to correct any omissions in Return of Income by filing an updated return of Income and pay tax due on the income missed in the original Return of Income.
- To provide an opportunity to the taxpayer to explain a transaction being verified before any further action by way of Assessment or Re-assessment is undertaken.

**6. Is the e-Verification Scheme same as e-Verification of return?**

After filing the income tax return (ITR), you need to verify it to complete the return filing process. Without verification within the stipulated time, an ITR is treated as invalid. e-Verification is the most convenient and instant way to verify your ITR. You can e-Verify your return online using OTP on mobile number registered with Aadhaar, net banking, digital signature etc.

The e-Verification Scheme 2021 is totally different from e-Verification of return.

**7. Where do I see the notice u/s133(6) issued to me seeking my explanation on a transaction not included by me in the Return of Income? How do I file my response to the notice u/s 133(6) issued under the e-Verification Scheme, 2021?**

Or

What should I do when I receive notice for e-Verification?

The notice u/s133(6) issued under the e-Verification Scheme will be visible to you in the Compliance Portal (accessible through <https://eportal.incometax.gov.in>). Normally you will also be alerted through an SMS on your registered mobile phone



and will also receive it on your registered email address. The steps involved in accessing the notice u/s133(6) and filing the response electronically are:

**Step 1:** Taxpayer will Login to the e-filing portal by using the URL <https://eportal.incometax.gov.in/>

**Step 2:** Go to "Pending Actions" tab, click on "Compliance Portal" and select "e-Verification"

**Step 4:** Click on applicable Financial Year

**Step 5:** Click on the 'DIN' to download the notice.

**Step 6:** Click on 'Submit' link to provide the response.

**Step 7:** Enter the remarks, attach the supporting document and click on "Submit" to submit the response to the notice.

Responses have to be filed electronically as detailed in the steps above

8. At the time of responding to the notice of e-Verification, after log in, nothing appears and only a blank screen page opens up. What should I do?

Please enable the 'pop ups' from 'Privacy and Security' settings in Google chrome, Firefox, etc.

9. How do I know that notice under e-Verification has been issued to me?

The Income Tax Department will send a notice u/s 133(6) of the Income Tax Act, 1961.

This will be visible on your e-filing portal account on incometax.gov.in. The notice is also emailed to the latest email address submitted to the Income Tax Department while filing the return of income. You will also receive SMS on the latest mobile number registered with your PAN.

10. What do I do in case I am having difficulty in accessing the Compliance Portal for viewing notices or submitting responses?

You may log your complaint at the helpdesk for the “Compliance” portal by calling 18001034215. Please note that helpline number is unique for each portal. Please use helpline for Compliance Portal for redressal of difficulties.

**11. How does the taxpayer verify the genuineness of the notice received?**

Very soon a facility will be provided for verification of the genuineness of the notice from the DIN mentioned in the notice. The taxpayer will be enabled to verify the DIN from the e-portal and see if the notice is genuine by clicking on the **Authenticate Notice/Order Issued by ITD** link in the **Quick Links** section found in the e-portal and following the process as mentioned in the e-portal.

The taxpayer has to furnish the response to the notice only through the Compliance Portal of the Income Tax Department <https://eportal.incometax.gov.in> and not through email. The instructions for furnishing the information are mentioned in the **Annexure-2** of the notice issued to the taxpayer.

**12. While responding to the notice issued u/s.133(6) of the Income-tax Act in the Compliance portal, the system/portal is not accepting the attachments of size above 10 MB. How to submit such large documents?**

With each response, 10 documents of size 10MB each can be uploaded as attachments. Large documents which are to be attached can be split into documents of less than 10 MB parts and can be attached and uploaded.

**13. What happens if my explanation is found to be satisfactory?**

A communication is sent to taxpayer informing that “No further clarification on the issue under verification proceedings is presently required from you”. However, this could change if any additional evidence/information comes to the knowledge of Income Tax Department subsequently.

**14. What happens if the explanation is not found satisfactory?**

If the explanation is not found satisfactory, the e-Verification proceedings will be concluded with a communication to the taxpayer informing: *"The explanation is not found sufficient to explain the mismatch in the specific information and the taxpayer may consider updating the return of income u/s 139(8A) of the Act, if eligible."* Subsequently if the taxpayer does not Update the Return of Income within the due time, Income Tax Department will undertake risk-assessment based initiation of proceedings like Assessment or Re-assessment which could lead to tax demand and penalty etc.

**15.** What can I do if I realize that I have missed a transaction while calculating my income in the Return of Income already filed by me?

You may consider Updating your Return of Income under Section 139(8A) of the I.T. Act, 1961, if eligible, by paying tax on the missed income along with additional tax to avoid further proceedings in the form of assessment/re-assessment which could lead to tax demand and penalty.

**16.** Can I respond to the notice u/s133(6) of the I.T. Act, 1961 that I have updated my return of income by paying additional tax on the transaction being e-verified by Income Tax Department?

Yes. This should be explicitly stated in the response. The updated return of Income will be verified with the information and an appropriate decision will be taken by the Income Tax Department.

**17.** Do I need to pay any penalty while updating my return?

No, there is no penalty as such. However, you have to pay an additional tax of 25% in the first year and 50% in the second year while updating your return.

**18.** Is it possible for me to have a physical hearing with the officer?

This scheme does not allow for any physical hearing by the Prescribed Authority. You are requested to file your reply online through the portal. In case of any query or clarification the Prescribed Authority will communicate through the portal and

give you adequate opportunity to clarify along with supporting documents. There is provision for video conference facility in exceptional case. This facility is under development.

**19. Why should I update my return?**

The Income Tax Department is giving you an opportunity to pay tax on the income that was not shown by you in your return but about which the Income Tax Department had received information. In the event of you not availing this opportunity to pay tax on such income and update your return, the Income Tax Department may, based on facts, initiate appropriate proceedings under the IT Act, 1961.

**20. What is updated return and its utility to the taxpayer?**

Finance Bill 2022 has inserted a new section, Section 139(8A) in Income Tax Act. This new section provides for filing of 'Updated Return' by the taxpayers. The taxpayer can file an updated return within two years from the end of the relevant Assessment Year. So during the current financial year 2022-23, taxpayers can file ITR-U for AY 2020-21 and AY 2021-22. i.e., the return for FY19-20 can be updated till 31st March 2023.

Updated return can be filed irrespective of the fact, whether the original return was filed by the taxpayer or not. However, to file an updated return, the taxpayer has to meet the conditions prescribed in section 139(8A) of the IT Act 1961, including:

1. The updated return can be filed only if the taxpayer has to disclose any additional income, which was missed / omitted earlier, and pay the additional tax thereon.
2. Updated return cannot be filed to reduce any income and report loss or increase the loss thereby resulting in reduction of tax liability or increase in tax refund.
3. The option of updated return can be opted only once for one assessment year.
4. If the updated return is being filed within 12 months from the end of the relevant assessment year, then an additional income tax of 25% and interest thereon shall be payable. If the return is filed within 24 months, from the end of the relevant assessment year, then an additional income tax of 50% and interest thereon shall be payable.

This facility of filing an updated return can also be viewed as an opportunity to disclose the earlier missed income and pre-empt further proceedings under the I.T. Act.

**21. How is the e-Verification Scheme different from scrutiny assessments/reassessments?**

This is primarily a preliminary verification based on the information received by the IT Dept from various reporting entities. No order is required to be passed in this case because this is not a notice for assessment or reassessment. This is only for verification. Once information is verified as correctly reflected in ITR, further steps may not be taken by the Income Tax Department with reference to the specific information verified. If information is not included in the return of income, then the taxpayer can update the tax return as mentioned above.

**22. What should the taxpayer do if information provided by the Income Tax Department is not correct?**

Or

What should I do if the duplicate entries are there in notice received by me under the e-Verification Scheme?

If you go through the notice and find that the information as mentioned in the notice does not belong to you or is a duplicate entry or is incorrect (fully or partially), you should clearly state the same in the response filed on Insight and provide supporting evidence for the same, where applicable. The Income Tax Department would then confirm with the source the veracity of the information and take appropriate action.

**23. What if you agree to the mismatch between return of income and information explained to you in the notice u/s 133(6) of the IT Act, 1961, under e-Verification Scheme?**

The taxpayer can update his ITR under section 139(8A) of the Act, and pay the additional taxes. A response can be submitted that the mismatch is accepted and ITR has been updated or will be updated.



**24.** What are the possible reasons for difficulties faced in filling responses to the notice u/s 133(6) of the IT Act, 1961?

Common reasons:

- Response of Taxpayer is to be submitted on compliance portal which is accessible via e-filing portal([www.incometax.gov.in](http://www.incometax.gov.in)). Other portals of Income Tax Department are for other specified compliances and will not accept responses to notice under e-Verification Scheme.
- Web browser used by the taxpayer is not updated to the latest version and hence the website is not supported by the browser.
- POP-UP Blocker of the web browser is enabled and it is blocking the access to the response window.