

# Filing of Returns – Timelines, Penalties, Mistakes and Rectification of Mistake under IT Act – Part -1

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## What is Section 197 of Income Tax Act, 1961?

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- ❑ Section 197 of the Income Tax Act, 1961 allows the taxpayer the facility of **NIL or Lower** tax rate deduction of TDS (or TDS exemption).
- ❑ In order to apply for this you need to submit Form 13 to the assessing officer.

## (2) Income Covered Under Section 197

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☐ Section 197 application can be made by the recipient of income in case of the following category of receipts where TDS is required to be made under the following Sections:

- ☐ • Section 192- Payment of Salary
- ☐ • Section 193- Payment of Interest on securities
- ☐ • Section 194- Payment of Dividends
- ☐ • Section 194A- Payment of interest on other than securities
- ☐ • Section 194C- Payment to contractors and sub-contractors
- ☐ • Section 194D- Payment of insurance commission
- ☐ • Section 194G- Payment of commission on the sale of lottery
- ☐ • Section 194H- Payment of commission or brokerage
- ☐ • Section 194I- Payment of Rent
- ☐ • Section 194J- Payment of Fees for Technical services

## (2) Income Covered Under Section 197

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☐ Section 197 application can be made by the recipient of income in case of the following category of receipts where TDS is required to be made under the following Sections:

- ☐ • Section 194K- Payment of income in respect of units
- ☐ • Section 194LA- Payment of compensation on acquisition of immovable property
- ☐ • Section 194LBB- Payment of income in respect of units of investment fund
- ☐ • Section 194LBC- Payment of income in respect of investment in securitization trust
- ☐ • Section 194M- Payment of commission by individual and HUF pursuance of a contract (other than covered under section 194C, 194H and 194J)
- ☐ • Section 194O- Payment by e-commerce operator to e-commerce participant
- ☐ • Section 195- Payment to non-resident or foreign companies

No application can be filed under section 197 for the purpose of payment other than above mentioned.

## Non Deduction / Lower Deduction of TDS

- ❑ **1. Receipt of the payment for the sale of property in India by a non-resident seller from the Indian buyer:**
  - ❖ This is the most common situation where a non-resident sells his property in India to the Indian buyer and that Indian buyer disburse the sale consideration after deducting TDS at the rate of 20% on the whole value regardless the gain that seller has actually earned from the property.
- ❑ **2. Receipt of the payment by a company who does not have PE in India from the customer who is liable to deduct TDS under section 195:**
  - ❖ Indian counterpart, while making payment to the Foreign company who does not have PE in India deduct TDS at the rate of 40% treating them as PE in India.
  - ❖ By filing an application under section 197, such company may mitigate the higher TDS and may get a certificate for deduction of TDS at the rate as per DTAA provisions.

## Non Deduction / Lower Deduction of TDS

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### ❑ 3. Where a assessee's NP ratio is low or assessee is in loss:

- ❖ In this case the TDS is deducted by the payer at full rate as per Chapter XVII regardless the actual taxability of the payee.
- ❖ Where the assessee is in loss or earning at relatively low NP ratio, the actual Taxability of the assessee is quite low or nil (in case of loss).
- ❖ By applying for LDC, such assessee may lower their TDS amount and ultimately may mitigate the working capital crisis.

### **(3) Eligibility for Making an Application Under Section 197**

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- ❑ Application can be made where income of any person attracts TDS as per above mentioned sections and income of the recipient justifies non-deduction or lower deduction of income tax based on his estimated final tax liability.

### **(4) Timeline for Making the Application**

- ❑ Income-tax provision does not provide for a deadline to make an application under Section 197. However, as TDS is made on income of on-going financial year it is advisable to make an **application at the beginning of financial year** in case of regular income throughout the financial year and as and when the need arises in case of one-off incomes.

### **(5) Validity of an Application Made Under Section 197**

- ❑ Section 197 is issued for a particular financial year and stands valid from the date of issue and throughout the financial year unless cancelled by the assessing officer (TDS) before the expiry.

## (6) Procedure for Making the Application Under Section 197

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- ❑ An application for nil/lower deduction of **TDS using the FORM 13** is required to be filed with the Assessing Officer (TDS) for seeking permission.
- ❑ Such Form 13 can be filed either online or manually.
- ❑ The process of filing the application for LDC: Rule 28 of Income Tax Rules governs the procedure of filing application. The application shall be filed in Form 13 on TRACES portal by logging in as '**Taxpayer**'.
- ❑ If the applicant satisfies the AO, he would process the issue of the certificate;
- ❑ The copy of this certificate can be attached to the invoice given to the deductor, and he can use this to justify the lower tax deduction.



## Extract of Section 197 of Income Tax Act, 1961

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- 197. (1) Subject to rules made under sub-section (2A), where, in the case of any income of any person or sum payable to any person, income-tax is required to be deducted at the time of credit or, as the case may be, at the time of payment at the rates in force under the provisions of sections 192, 193, 194, 194A, 194C, 194D, 194G, 194H, 194-I, 194J, 194K, 194LA, 194LBB, 194LBC [, 194M] [, 194-O] and 195, the Assessing Officer is satisfied that the total income of the recipient justifies the deduction of income-tax at any lower rates or no deduction of income-tax, as the case may be, the Assessing Officer shall, on an application made by the assessee in this behalf, give to him such certificate as may be appropriate.

## (6) Procedure for Making the Application Under Section 197

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- ❑ (2) Where any such certificate is given, the person responsible for paying the income shall, **until such certificate is cancelled by the Assessing Officer**, deduct income-tax at the rates specified in such certificate or deduct no tax, as the case may be.
- ❑ (2A) The Board may, having regard to the convenience of assesseees and the interests of revenue, by notification in the Official Gazette, make rules specifying the cases in which, and the circumstances under which, an application may be made for the grant of a certificate under sub-section (1) and the conditions subject to which such certificate may be granted and providing for all other matters connected therewith.
- ❑ The process of filing the application for LDC: Rule 28 of Income Tax Rules governs the procedure of filing application. The application shall be filed in Form 13 on TRACES portal by logging in as 'Taxpayer'.

## Procedure for Making the Application

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- ❑ In order to make an application in Form no 13, a taxpayer has to register in the portal <https://contents.tdscpc.gov.in/> using his/her PAN. Upon registration under TRACES (TDS-CPC) website,
- ❑ A taxpayer has to log in and under the tab 'Statements/Forms', choose 'Request for Form 13'.
- ❑ An assessee has to file the application for Nil or lower deduction of tax online using a digital signature (DSC) or electronic verification code (EVC).
- ❑ Similarly, a taxpayer (buyer/licensee/lessee) whose payments are liable for the collection of tax (TCS) under section 206C can file an application in form no 13 seeking a certificate for Nil or lower tax collection at source.

## Procedure for Making the Application

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- ❑ Upon receipt of the application, the assessing officer has to determine the existing and estimated tax liability after taking into consideration tax payable on the estimated income of the ongoing financial year, tax payable on the assessed or returned or estimated income, as the case may be, of the previous four financial years, existing liability under the Income-tax Act, 1961.
- ❑ The assessing officer has to also consider the advance tax payment, tax deducted at source and tax collected at source for the ongoing financial year till the date of making of the application.
- ❑ The Nil or lower TDS or TCS application is valid for the period for which it is issued or until the assessing officer cancels it.


## Step by step guide to how to Validate the Certificate u/s 197

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- ❑ **Step 1:** Login to TRACES as a Deductor with register User ID and Password.
- ❑ If you have not registered, you can read this guide to get registration procedure.
- ❑ The welcome page will be displayed.

## The process of filing the application for LDC

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Pages as per Notification no.15/2021.Please file Correction statements using Consolidated File.

A new version

**Login**

☐ Deductor ☒ Taxpayer/PAO

User Id\*

AA[REDACTED]H


Password\*

\*\*\*\*\*

PAN for Tax Payer /  
AIN for PAO\*

AA[REDACTED]H

Verification Code\*



Click to refresh image

Enter text as in above image\*

F72GH

Login

[Register as New User](#) [Forgot Password?](#)

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After login in, below screen will appear,

The screenshot displays the TRACES web application interface. At the top, there is a navigation bar with links: Home, About Us, Contact Us, e-Tutorials, Related Links, and Logout. A search bar is also present. The header features the TDS Centralized Processing Cell logo and the TRACES title, along with the Government of India Income Tax Department emblem. Below the header is a menu bar with options: My Home (highlighted), Statements/Forms, View/ Verify Tax Credit, Request for Resolution, Downloads, and Profile. The main content area shows 'Aggregated TDS Compliance' and a welcome message to a user. A 'Help' button is visible. The left sidebar contains 'Quick Links' such as Form 16B/16C/16D, Update Communication Details, Salary Details reported by Employer, and Change Password. The central area has a 'Welcome to TRACES!' message and lists functionalities like View 26AS (with sub-options for viewing/downloading Form 26AS and updating communication details) and Profile. The right sidebar includes 'Customer Care' contact numbers and 'User Login Details' showing TAN/PAN, IP, and last login time. The URL www.taxguru.in is displayed at the bottom left.

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Search In Keyword

TDS Centralized Processing Cell

TRACES TDS Reconciliation Analysis and Correction Enabling System

Government of India Income Tax Department

My Home Statements/Forms View/ Verify Tax Credit Request for Resolution Downloads Profile

Aggregated TDS Compliance

Welcome [Redacted]

Login Date: 09-May-2021, 07:53 PM

Help

Quick Links

- Form 16B/16C/16D (For Buyer/Tenant/Payer)
- Update Communication Details
- Salary Details reported by Employer
- Change Password

Welcome to TRACES!

TRACES is a user-friendly application that will help you to manage your account with Income Tax Department.

Some of the functionalities available through TRACES are listed below.

- View 26AS
  - View and download Form 26AS containing details of tax deduction, collection, tax payment, refund and AIR transactions
- Profile
  - Update Communication Details

Customer Care

Toll-Free: 1800 103 0344

0120 4814600

User Login Details

TAN / PAN [Redacted]

IP: [Redacted]

Last logged in on: [Redacted]

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## Step-2: From 'Statements/Forms' menu select 'Request for Form 13'

The screenshot displays the TDS TRACES portal interface. At the top, there is a navigation bar with links: Home, About Us, Contact Us, e-Tutorials, Related Links, and Logout. A search bar is also present. The main header features the TDS logo (Centralized Processing Cell) and the TRACES logo (TDS Reconciliation Analysis and Correction Enabling System). The Government of India Income Tax Department logo is on the right. Below the header, a menu bar includes: My Home, Statements/Forms, View/ Verify Tax Credit, Request for Resolution, Downloads, and Profile. The 'Statements/Forms' menu is expanded, showing options: Request for Correction, Track Correction Request, View Default Summary, Request for Justification Report Download, Request for Refund, Track Refund Request, Request for Form 13 (highlighted with a red box), Track Request Form 13, and Challan Status. On the left, a 'Quick Links' section lists: Form 16B/16C/16D (For Buyer/Tenant/Payer), Update Communication Details, Salary Details reported by Employer, and Change Password. The main content area shows 'Aggregated TDS Compliance' and a list of functionalities available through TRACES, including View 26AS and Profile. On the right, there is a 'Customer Care' section with toll-free numbers and a 'User Login Details' section showing TAN / PAN, IP, and last login information. A watermark 'www.taxguru.in' is visible at the bottom left.



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- ☐ By clicking this option, A screen will appear,
  - ☐ Select the option appearing on the screen.
  - ☐ If we are applying for a non-resident person or a foreign company, then select 'Non Resident' or 'Not Ordinarily Resident' as the case may be and
  - ☐ if we are applying for a resident assessee, then select 'Resident'.

Step-3: Select 'Request Type' as 'Original' and then select Financial Year for which we are applying for LDC. Then click on 'Proceed'.

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- ❑ Step-4: After step-3, a detailed Form 13 will appear on the screen and below mentioned details shall be filled,
- ❖ **Status:** Whether it's a company, LLP, Partnership firm or individual
- ❖ **Residential Status:** Whether resident or non-resident
- ❖ **PAN:** PAN of the assessee
- ❖ **Email Id:** Email id should be a valid one. Any communication or query raised by the department would be notified on this mail id only
- ❖ **Mobile No.:** A message after filing the application and further communication from the department would be notified on this mobile no. as well

Step-3: Select 'Request Type' as 'Original' and then select Financial Year for which we are applying for LDC. Then click on 'Proceed'.

- ❑ Step-4: After step-3, a detailed Form 13 will appear on the screen and below mentioned details shall be filled,
- ❖ **State:** State can be selected as per the convenient of the assessee
- ❖ **District:** Select from the drop down menu. Jurisdictional A.O will be assigned on the basis of State & District given by taxpayer in Original application of Form-13
- ❖ **Detail of existing Income Tax liability:** A table need to be filled up for any liability which is unpaid for the financial year for which application is being filed
- ❖ **Estimated total income of the previous year for which application is filed:** A projected gross receipt shall be entered here. Note that the LDC will be issued by the department up to this amount only. Therefore, this amount shall be entered carefully

Step-3: Select 'Request Type' as 'Original' and then select Financial Year for which we are applying for LDC. Then click on 'Proceed'.

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- Step-4: After step-3, a detailed Form 13 will appear on the screen and below mentioned details shall be filled,
- ❖ **Total tax payable including interest for the above mentioned income:** Tax liability which will be computed on the basis of above mentioned projected income shall be entered here. The tax rate at which assessee apply will be calculated on the basis of this tax liability and projected receipts as mentioned above.
- ❖ **Details of income claimed to be exempt:** If any income has been claimed to be exempt and included in the projected receipts as reported above, shall be entered here.

Step-3: Select 'Request Type' as 'Original' and then select Financial Year for which we are applying for LDC. Then click on 'Proceed'.

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- ❑ Step-4: After step-3, a detailed Form 13 will appear on the screen and below mentioned details shall be filled,
- ❖ Details of payment of advance-tax and tax already deducted/collected: A table need to be filled up by entering the amount which has already been paid as Advance Tax or deducted as TDS. These details may be taken from Form 26AS.
- ❖ Thereafter some declaration shall be checked by clicking against the respective options. After all this click on 'Save & Proceed' button.

## Step-5: Next, below screen will appear,

The screenshot displays the TDS TRACES portal interface. At the top, there is a navigation bar with links: Home | About Us | Contact Us | e-Tutorials | Related Links | Logout. A search bar is located on the right with the text 'Search In Keyword'. Below the navigation bar, the TDS logo (Centralized Processing Cell) and the TRACES logo (TDS Reconciliation Analysis and Correction Enabling System) are shown. A horizontal menu bar contains four tabs: My Home, Statements/Forms (which is highlighted with a blue background and a white arrow pointing to it), View/ Verify Tax Credit, and Request for Resolution. Below the menu bar, the section 'Aggregated TDS Compliance' is visible, followed by a welcome message: 'Welcome SUVIDHA TALENT PRIVATE LIMITED'. Three informational messages are displayed in light blue boxes: 1. 'Please select the type of annexure from dropdown.' 2. 'Multiple Annexure(s) can be filled in one request by selecting values from the dropdowns "Type of Annexure" as per requirement. So proceeding to next annexure' 3. 'Status of the Request No. can be tracked through "Track Request Form 13" under tab "Statements/Forms".' Below these messages, there is a form with two input fields: 'Request No.' with the value '222180' and 'Type of Annexure'. The 'Type of Annexure' dropdown menu is open, showing three options: '--Select--', '--Select--', and 'Annexure-I For No/Lower Deduction' (which is highlighted in blue). Below the dropdown, there is a 'Proceed' button. The website URL 'www.taxguru.in' is displayed in red text at the bottom left of the form area.

Select the '**Annexure-I**' and click on '**Proceed**' button.

Step-6: After step-5, below table will appear which needs to be filled up,

**Annexure-I(No/Lower Deduction)**

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(See Section 193,194A,194D,194,194(a),194(b),194H,194C,194G,194J,194LA,194LB, 194LC,194M,194O & 194K)

Sl. No	<input type="checkbox"/>	Tax deduction and collection Account No. (TAN) Note: PAN of Deductor is allowed for section 194M (1)	Tax deduction and collection /Permanent Account Name (2)	Section under which tax at source is to be deducted (3)	Nature Of Payment	Estimated amount of income/sum to be received (Rs.) (4)	Requested rate of Deduction (5)
1	<input type="checkbox"/>			--Select-- ▼		0	0

In this table we need to fill the details of the deductor like TAN, section under which TDS to be deducted, nature of payment (which will be selected from the drop down menu), Estimated amount and tax rate at which the assessee wishes to apply.



**At last, supporting documents shall be attached by clicking on the respective links as below,**

1. Upload & Fill Estimated Income Computation for which F.Y certificate is sought (Template for estimated income is mandatory to fill by clicking on "Template")**	<input type="text"/>	<a href="#">Browse</a>	<a href="#">Files Uploaded</a>	<a href="#">Template</a>
2. Upload & Fill computation of estimated total income any of the four previous year preceding to the previous year for which return of income has not been filed	<input type="text"/>	<a href="#">Browse</a>	<a href="#">Files Uploaded</a>	<a href="#">Template</a>
3. Upload registration/exemption Certificate in case of certain entities covered under section 11 or 12**	<input type="text"/>	<a href="#">Browse</a>	<a href="#">Files Uploaded</a>	
4. Upload registration/exemption Certificate in case of certain entities covered under section 139(4C) where income is exempt under section 10	<input type="text"/>	<a href="#">Browse</a>	<a href="#">Files Uploaded</a>	
5. Upload Assessment Orders if assessed, for the last four assessment years	<input type="text"/>	<a href="#">Browse</a>	<a href="#">Files Uploaded</a>	
6. Upload return of income for any of the four previous year has been filed in paper form	<input type="text"/>	<a href="#">Browse</a>	<a href="#">Files Uploaded</a>	
7. Upload Details of income claimed to be exempt and not included in the total income**	<input type="text"/>	<a href="#">Browse</a>	<a href="#">Files Uploaded</a>	
8. Upload any other document (For example: Estimated Profit & Loss Account, estimated Balance sheet, Working of MAT liability for all relevant A.Y etc.)	<input type="text"/>	<a href="#">Browse</a>	<a href="#">Files Uploaded</a>	

[Upload](#)

☐ I, **Amit Kumar** do hereby declare that to the best of my knowledge and belief what is stated above is correct, complete and truly stated, I declare that the incomes/sum referred to in this form are not includible in the total income of any other person under sections 60 to 64 of the Income-tax Act, 1961. I further declare that what is stated in this application is correct. I further declare that I am making application in my capacity as Principal Officer of **Siddhant Private Limited** and I am also competent to make this application and verify it. I am holding permanent account number **1234567890**

Place\*  Date\*

[Go to Basic Details](#) [Back](#) [Preview & Submit](#)

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## Preview and Submit

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- ❑ Document shall be attached by clicking on 'Browse' button as provided against each document description. A template shall also be filled up by clicking on 'Template' button.
- ❑ After uploading all the documents, click on 'Preview & Submit' button and a preview will be appeared on screen where you can cross check all the details and download the preview as well. After that you can submit the Form by using DSC or mobile OTP.
- ❑ After submission of Form 13, the Jurisdiction will be assigned automatically within 2 or 3 days. The assessing officer may raise further query which can be replied online on the link which will be there when you check the status of your application.

## **Documents to be attached along with the Form 13.**

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- ❖ **Projected balance sheet and computation for the financial year for which application is filed. In case of individual, only projected computation is required.**
- ❖ **Audited balance sheet and computation for any one of the four previous year. Not required in case of individual who is not carrying any business or profession**
- ❖ **Copy of exemption certificate, if any exemption is claimed**
- ❖ **Copy of assessment order for the last four years, if any**
- ❖ **Copy of ITR acknowledgment for last four years**
- ❖ **Any other documents e.g. Property papers, copy of agreements etc.**
- ❖ **The certificate once issued by the authority can be downloaded from the link which will be available when you check the status of the application.**



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[Home](#)

[Deductor](#)

[PAO](#)

[Help](#)

Click on help icon next to each field for more details

For more details on any screen, click on Help icon

Compliance download has been initiated

Register/login as taxpayer using Deductor's PAN

### Login

User Id\*

Password\*

TAN for Deductor /  
PAN for Tax Payer  
AIN for PAO\*

Verification Code\*



Click

Enter TAN

Enter text as in above image\*

Login

[Register as New User](#)

[Forgot Password?](#)

[Forgot TAN?](#)

Enter the text as displayed in Verification Code

#### For Deductors:

- If you are not yet registered in TRACES, you may login for first time with existing User Id & Password as provided by TIN and your TAN
- If you are unable to login with TIN User Id & Password, please register as new user in TRACES
- If you are already registered in TRACES, please login with your registered User Id, Password & TAN

#### For Tax Payers:

- If you are already registered in TRACES, please login with your registered User Id (PAN), Password & PAN else register as new user


#### Common Notes:

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Search In Keyword

English

 **TDS**  
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Government of India  
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Dashboard Statements / Payments Defaults Communications Downloads Profile **Help**

**Quick Links**

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- Download Form 16
- Requested Downloads
- PAN Verification
- Inbox **New**

**Welcome to TRACES!**

TRACES is a user-friendly application that will help you to manage your TDS / TCS account. Some of the functionalities available through TRACES are listed below.

- Dashboard view presenting summary of your account
- Statements / Payments
  - View challan status and challan consumption details
  - View TDS-TCS Credit for a PAN and verify PAN of Tax Payer
- Downloads
  - Download requested files
  - Download Form 16 / 16A
- Profile
  - Update Communication Details

**Customer Care**

Toll-Free: 1800 103 0344

0120 4814600

contactus@tdscpc.gov.in

**User Login Details**

**TAN / PAN**

IP:

Last logged in on:

Landing page will be displayed



## Step 2: Click on "Statements/Payments" the second tab and select "197 Certificate Validation".

The screenshot shows the TDS TRACES portal. At the top, there is a navigation bar with links: Home, About Us, Contact Us, e-Tutorials, Related Links, and Logout. A search bar is also present. The main header features the TDS logo (Centralized Processing Cell) and the TRACES logo (TDS Reconciliation Analysis and Correction Enabling System). On the right, there is a Government of India Income Tax Department logo.

The main navigation tabs are: Dashboard, Statements / Payments, Defaults, Communications, Downloads, Profile, and Help. The 'Statements / Payments' tab is selected, and its dropdown menu is open, showing options: Statement Status, Challan Status, Challan Status for Statement, View TDS / TCS Credit, PAN Verification, Request for Conso File, 197 Certificate Validation, Request for Refund, Track Refund Request, Declaration for Non - Filing of Statements, and Declaration To Deposit Lower TDS. The '197 Certificate Validation' option is circled in orange.

A callout bubble points to the 'Help' icon in the top navigation bar, stating: "For more details on any screen, click on Help icon".

Another callout bubble points to the '197 Certificate Validation' option in the dropdown menu, stating: "Under 'Statement/ Payments' select '197 Certification Validation'".

On the left, there is a 'Quick Links' section with links: Challan Status, Request for Justification Report Download, Request for Conso File, Download Form 16, Requested Downloads, PAN Verification, and Inbox (New). Below this, there is a 'Downloads' section with links: Download requested files and Download Form 16 / 16A. There is also a 'Profile' section with a link: Update Communication Details.

On the right, there is a 'User Login Details' section with fields for TAN / PAN, IP, and Last logged in on. Below this, there is a 'Contact Us' section with Toll-Free: 1800 103 0344, a phone number: 0120 4814600, and an email: contactus@tdscpc.gov.in.

At the bottom, there is a footer with a warning: "Do not use Back or Refresh button on any page as this may lead to inconsistent behaviour".

## Step 3: Enter 10 digit certificate number, PAN of the deductee and select "Financial Year".

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Search In Keyword

TDS Centralized Processing Cell

TRACES TDS Reconciliation Analysis and Correction Enabling System

Government of India Income Tax Department

Dashboard Statements / Payments Defaults Communications Downloads Profile Help

Validate 197 Certificate

Certificate Number\*  PAN of the Deductee\*  Financial Year\*  Go

Enter the valid 10 digit  
(alpha-numeric  
value) Certificate  
Number

Enter valid PAN as per  
the 197 certificate

Select FY and  
click on 'Go'

Validation of certificate is available on TRACES from FY 2007-08.

**It will display all the details of Certificate. Number, Financial year, Valid period, TDS rate, Section code, Amount consumed etc.**

## Validation 197 Certificate (cont..)

[Dashboard](#)[Statements / Payments](#)[Defaults](#)[Communications](#)[Downloads](#)[Profile](#)[Help](#)

### Validate 197 Certificate

Provide details below to validate the 197 Certificate issued to the PAN of Deductee

Certificate Number\*

PAN of the Deductee\*

Financial Year\*

By clicking on "Amount consumed" the table, as below will be displayed showing the consumption details

197 Certificates issued for the selected PAN of Deductee, Financial Year and Tan: AGRA10197F

Sr. No.	Certificate Number	Financial Year	PAN of the Deductee	Name of Deductee	Valid From	Valid To	Section Code	Nature of Payment	Rate of TDS as per Certificate	Certificate Limit (Amount)(₹)	Amount Consumed (₹)	Date of Issue

consumption details

Page 1 of 1

View 1 - 1 of 1

Consumption Details of Certificate -01

Financial Year	Quarter	Form Type	Consumed Amount (₹)	Nature of Payment	Statement ID	Total Consumed Amount (₹)

Page 1 of 1

View 1 - 1 of 1



## **□ NON DEDUCTION OF TAX AT SOURCE – SEC 197A**



## FORM 15H/15G

- ❑ Tax payers seeking non-deduction of tax from certain incomes are required to file a self-declaration in Form 15G or Form 15H as per the provisions of Section 197A of the Act.
- ❑ The manner of filing such declarations and the particulars have been laid down in **Rule 29C of the Income-tax Rules, 1962 ('the Rules')**.
- ❑ **II. Issue for consideration relating to Form 15/ Form 15H**
- ❑ Various representations have been received by the CBDT seeking clarification on the issue as to whether a depositor should submit only one declaration in respect of the income each year before each person responsible for making the payment (i.e. deductor) or Form 15G/Form 15H has to be submitted each and every time the payment is due to be received from the deductor.

## FORM 15H/15G

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- ❑ III. Clarification by CBDT relating to Form 15/ Form 15H
- ❑ Para 5 of Circular No. 351, dated 26-11-1982 issued by the Central Board of Direct Taxes (CBDT) provides that it will be sufficient if only one declaration is made in respect of the income each year before each person responsible for making the payment.
- ❑ Hence, where payments are to be made by the same person more than once in a year, the declaration in the relevant Form may be furnished before the first payment in a year becomes due.

Notification No. 6/2017, dated 30-05-2017 has settled all disputed issues, it is clarified by the board that:-

## FORM 15H/15G

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- ❑ CBDT via Notification No. 6/2017, dated 30-05-2017 has settled all disputed issues, it is clarified by the board that:-
  - ❑ 1) New Form 15G/15H has to be filed by the taxpayers if his income for each year changes.
  - ❑ 2) Only one declaration is to be made in respect of the income each year before each deductor.
  - ❑ 3) If the estimated total income changes and new investments are being made then taxpayers are required to provide particulars of same in the new Form 15G/15H.
  - ❑ 4) While filing New Form 15G/15H, taxpayer's needs to provide total number of earlier declarations along with aggregate amount of income for which such Form 15G/15H have been filed.

# FORM 15H/15G

## ☐ IV. What is Form 15H?

- ☐ As per section 197A (1C), to be made by an individual who is of the age of 60 years or more claiming certain receipts without deduction of tax.
- ☐ Estimated tax for the previous assessment year should be nil.
- ☐ You need to submit form 15H to banks if interest from one branch of a bank exceeds 10000/- in a year.
- ☐ This form should be submitted to all the deductors to whom you advanced a loan. For example you have deposit in three SBI bank branches Rs.100000 each. You must submit the Form 15H to each branch.
- ☐ Submit this form before the first receipt of your interest. It is not mandatory but it will avoid the TDS deduction. In case of the delay, the bank may deduct the TDS and issue TDS certificate at the end of the quarter.
- ☐ You need to submit for 15H if interest on loans, advances, debentures , bonds or say interest income other than interest on bank deposits exceeds Rs.5000/-.

# FORM 15H/15G

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## ❑ V. What is Form 15G?

- ❖ Declaration u/s 197A (1A), to be made by an individual or a person (not being a company or a firm) claiming certain receipts without deduction of tax of tax.
- ❑ **Form 15G can** be submitted by Individual who is below the age of 60 years and by Hindu Undivided family.
- ❑ The points applicable for 15H are applicable to the Form 15G as well, except that the Form 15H is applicable only for the senior citizens.
- ❑ Form 15G should be submitted before the first receipt of interest on fixed deposits.

# FORM 15H/15G

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## □ VI. Difference between form 15G and Form 15H:-

- ❖ 1. Form 15G can be submitted by an individual below the Age of 60 Years while form 15H can be submitted by senior citizens i.e. individual's above the age of 60 years.
- ❖ 2. Form 15G can be submitted by Hindu Undivided families but form 15H can be submitted only by Individual above the age of 60 years.
- ❖ 3. Form 15G CAN NOT BE filed by any person whose income from interest on securities/interest other than “interest on securities”/units/amounts referred to in clause (a) of sub-section (2) of section 80CCA exceeds maximum amount not chargeable to tax.

## FORM 15H/15G

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- ❑ VII. Conclusion: Situations to submit Form 15G/15H
  - ❑ To understand the several situation, let's take an example that Mr. A has maintaining one fixed deposit account (FD) with a bank and receiving interest income of more than Rs. 10,000. The following are some practical situation which suggests submission of Form 15G/Form 15H.
  - ❑ Situation 1: Bank is crediting interest income to taxpayer account on maturity of FD.
  - ❑ Ideally, the Form 15G/ Form 15H should be submitted by Mr. A at the beginning of the year to avoid a situation of tax deduction at source. However, he can submit the Form at any time before maturity of FD.

## FORM 15H/15G

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- ❑ Situation 2: Bank is crediting interest income to Mr. A account on quarterly basis.
  - ❖ Form 15G or Form 15H should be submitted by Mr. A at any time before the end of 1st quarter in which such interest is credited by bank. For the remaining quarters, he is not required to submit Form 15G/ Form 15H again.
  - ❑ Situation 3: During the financial year, Mr. A has opened a new fixed deposit account with another bank.
  - ❖ In this case, since Mr. A will receive interest income from two different bank (i.e. deductor), he is required to submit Form 15G/ Form 15H to another the bank separately in order to avoid deduction of tax at source from another bank.



## FORM 15H/15G

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- ❑ **Situation 4:** During the financial year, Mr. A has opened a new fixed deposit account but with same bank, interest is being credited on quarterly basis.
  - ❖ In this case, since a new investment has been made by Mr. A in form of a new fixed deposit, he has to submit a new Form 15G/15H to the same bank declaring particulars of change in estimated total income along with detail of his old investment and declaration.

## FORM 15H/15G

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- ❑ **Situation 5:** While filing Form 15G/15H to bank, Mr. A has mentioned only interest income as his estimated total income. However during the financial year, he let out his house property and started earning rental income.
  - ❑ In this case, Mr. A is required to submit new Form 15G/15H to bank though he has not made any new investment with same bank. As per notification (Supra), new Form 15G/15H is to be filed in every situation where the estimated total income of taxpayers changes. Since, Mr. A has let out his house property and earning rental income, he is required to furnish new Form 15G/15H to bank declaring particulars of his rental income along with detail of his old investment.

## Section 198 - Tax Deducted at Source shall be deemed to be income received

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- ❑ All sums deducted in accordance with the foregoing provisions of this Chapter shall, for the purpose of computing the income of an assessee, be deemed to be income received :
- ❑ Provided that the sum being the tax paid, under sub-section (1A) of section 192 for the purpose of computing the income of an assessee, shall not be deemed to be income received:
- ❑ [Provided further that the sum deducted in accordance with the provisions of section 194N for the purpose of computing the income of an assessee, shall not be deemed to be income received.

## Section 198 - Tax Deducted at Source shall be deemed to be income received

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- ❑ Tax deducted at source shall be deemed to be income received. Accordingly, it shall be considered for the purpose of computing the income of assessee.
- ❖ E.g. Mr. C received interest of ₹ 54,000/- after deduction of ₹ 6,000/- as TDS. The income of Mr. C will be ₹ 60,000/- i.e including the portion of TDS.
- ❑ However in the following two cases, Tax deducted will not form part of income-
  - ❖ TDS contributed by the employer on non-monetary perquisites provided to employee u/s 192(1A).
  - ❖ TDS deducted by banks, post offices, cooperative banks u/s 194N

## Provisions under Rule 37BA

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- ❑ According to section 199 of income tax act the credit of the TDS so deducted shall be given as per Rule 37BA.
- ❑ According to following clauses of rules 37BA, credit shall be given in the given proportion: –
  - ❖ (i) Credit for tax deducted at source and paid to the Central Government, shall be given for the assessment year for which such income is assessable.
  - ❖ (ii) Where tax has been deducted at source and paid to the Central Government and the income is assessable over a number of years, credit for tax deducted at source shall be allowed across those years in the same proportion in which the income is assessable to tax.

## TDS/TCS Statement > Online Filing

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- ☐ **Should I file copies of certificate for no deduction or concessional deduction of tax along with the e-TDS/TCS return?**
- ☐ No, you need not file certificates for no deduction or concessional deduction of TDS alongwith the e-TDS/TCS return. This is not required in case of any quarterly statements.
- ☐ What value is to be provided in Annexure II of 24Q, Q4 statement when the landlord does not have PAN and the Annual rent payment exceeds ₹ 1,00,000?
- ☐ Deductor is required to select any of the below values under PAN field (in case of non-availability of PAN) and file your statement.
- ☐ 1. Payment made to Government organization (Central/State only):  
This is applicable when landlords are Government organizations (i.e. Central or State).

# Q&A

