



CA CMA Kedarnath

Hyderabad

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The Institute of Cost Accountants of India
(Statutory body under an Act of Parliament)
Tax Research Department

A Session on S.200, 200A, 201, 201(1A), 203 & 234E

Tax deducted at Source



S.200 Duty of Person Deducting Tax

- ❖ Any person
- ❖ Any person being an employer
- ❖ Government
- ✓ deducting any sum in accordance with the provisions of TDS
- ✓ *shall pay within the prescribed time,*
- ✓ the sum so deducted to the credit of the Central Government

Provided that the person may also deliver to the prescribed authority

- ✓ a correction statement for rectification of any mistake or to add, delete or update the information furnished
- ✓ under this sub-section in such form and
- ✓ verified in such manner as may be specified by the authority.

S.200 Duty of Person Deducting Tax

As per provisions of the IT Act, 1961

□ **Person S.2(31):** Includes

- ✓ Individual
- ✓ HUF
- ✓ Firm
- ✓ Company
- ✓ AOP/BOI
- ✓ Co-operative Society
- ✓ Local Authority
- ✓ AJP (Trust, Temples, Political Parties etc.,)

S.200A Processing of statements of tax deducted at source

(a) TDS return statement / correction statement **filed** in accordance with S.200

Shall be processed u/s 200A and following Adjustments to be made

- ✓ any arithmetical error in the statement; or
 - ✓ an incorrect claim, apparent from any information in the statement;
- (b) The interest, if any, shall be computed on the basis of the sums deductible as computed in the statement;
- (c) The fee, if any, shall be computed in accordance with the provisions of section 234E;
- (d) Intimation shall be sent to the deductor specifying the
- ✓ Demand or
 - ✓ Refund

Note:

Intimation shall be issued within 1 year from the end of FY in which quarterly return filed

S. 201: Consequences of failure to Deduct or Pay - Penalty

- If Assessee fails to deduct TDS or after deduction fails to pay TDS to Government,
- Then Assessee treated as deemed to be **Assessee in default**
- He shall be liable to pay **Penalty** u/s 221

Note:

- ✓ Penalty does not exceed the amount of tax in arrears
- ✓ **Provided** that before levying any such penalty, the Assessee shall be given a reasonable **OBH**
- ✓ **Provided further** that where the Assessee proves to the satisfaction of the AO that the default was for good and sufficient reasons, **no** penalty shall be levied under this section.
- ✓ Where as a result of any final order the amount of tax, with respect to the default in the payment of which the penalty was levied, has been wholly reduced,
- ✓ the penalty levied shall be cancelled and the amount of penalty paid shall be refunded.

S. 201(1A): Consequences of failure to Deduct or Pay - Interest

□ Late Deduction:

Rate: Interest @ 1% p.m. or part

What: On amount of TDS

Period: From the date of tax was deductible till the date of tax actually deducted

Ex: M/s ABC Ltd liable to deduct TDS on professional fee paid to Mr. Ram Rs 1,00,000 for the month of Apr-2022 and the same is deducted in the month of June-2022

□ Late Payment:

Rate: Interest @ 1.50% p.m. or part

What: On amount of TDS

Period: From the date on which tax was deducted till the date on which such tax is actually paid.

Ex: M/s ABC Ltd liable to deduct TDS on professional fee paid to Mr. Ram Rs 1,00,000 for the month of Apr-2022 and the same is deducted in the month of June-2022 and deposited in Aug-2022

S. 203 ISSUE OF TDS CERTIFICATE

- ❖ Every person deducting tax at source is required as per **Section 203** of Income Tax Act, 1961 to furnish a certificate to the **payee** to the effect that tax has been deducted along with certain other particulars.
- ❖ This certificate is usually called the **TDS certificate**.
- ❖ Even the banks deducting tax at the time of payment of pension are required to issue such certificates.
- ❖ Employees receiving salary income including pension, the certificate has to be issued in **Form No.16**
- ❖ In all other cases, the TDS certificate is to be issued in **Form 16A**.
- ❖ The certificate is to be issued in the deductor's own stationery.
- ❖ However, there is no obligation to issue TDS certificate in case of tax at source is not deducted / deductible by virtue of claims of exemptions/ deductions
- ❖ Model Copies:

S.234E - PENALTY OR LATE FILING FEE

- ❑ As per **Section 234E** of the income tax act, a penalty or late filing fee is charged for default in furnishing quarterly TDS/TCS return to the department.
- ❑ This section was brought into force from **1st July 2012**.
- ❑ Under Section 234E a late fee of **Rs 200 per day** would be levied until your return is filed.
- ❑ The late fees *shall not exceed the TDS amount*



*{Arise, awake and stop not until the goal is reached}
- Swami Vivekananda*



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