

STANDARD OPERATING PROCEDURES (SOP) FOR ADMINISTERING TDS
INCORPORATING THE RE-ENGINEERED PROCESSES DEVELOPED BY THE CPC-TDS

1. TDS is a non-obtrusive but powerful instrument to prevent tax evasion as well as to expand the tax net. TDS also minimizes tax avoidance by the taxpayer (income earners), as the payee's transaction(s) are reported to the Department by the third person. The contribution of TDS to the overall gross direct taxes collections during F.Y.2013-14 was Rs.2,71,069 crore. This is a 17.88% growth over the collections shown under this minor head from Rs.2,29,943 crore during F.Y.2012-13. Thus, TDS now contributes more than 37% to the gross direct taxes collections, emphasizing its ever growing importance.

2. With the Centralized Processing Cell for TDS at Vaishali, Ghaziabad, the TDS administration is now driven through technology support. The CPC-TDS provides comprehensive MIS on compliance behaviour of the deductors, defaults details, PAN errors besides helping the deductor or the Department to identify & rectify mistakes. The strategy to augment revenue through TDS ought to be, therefore, a mix of enforcement, capacity building (external and internal) and leveraging of information that is now available with the Department through the CPC-TDS.

3. With the enablement of all functionalities, available to the TDS Assessing Officer through AO Portal, the Standard Operating Procedure (SOP) specifying the role of Officers, who are associated with TDS administration, becomes necessary. The SOPs have been framed to address the various features in the re-engineered processes in TDS administration. The SOPs have been made on following issues :-

- i. Matching the unconsumed challan.
- ii. Top deductors paying less/no tax with respect to previous financial years.
- iii. Resolvable/Collectible TDS Demand.
- iv. G-OLTAS reconciliation.
- v. Corporate connect for TDS compliance.

I. DRAFT OF STANDARD OPEPRATING PROCEDURE FOR MATCHING THE UNCONSUMED CHALLAN

1. Introduction:

A challan may remain unconsumed on the computer system under following circumstances:-

- a) In case of a deductor where demand has been raised due to short payment or; due to quoting of wrong challan particulars in TDS statement; there might be an OLTAS challan available in the account of such a deductor, which has not been utilized/claimed. Such a challan is known as unconsumed challan and, such challans can be matched against a demand thus raised. Such unconsumed challan can be force-matched and can be tagged to the TDS statement of the deductor, to which the challan pertains. Forced matching is a functionality available in TRACES-AO Portal.
- b) There may be a case where the deductor has paid the demand on account of late filing fee or; interest including late payment interest or; late deduction interest. Whereas, the same challan has not been reported through TDS statement for claim against such demand outstanding. As the particulars in TDS statement are the basis of TDS defaults, the closure of demand is possible only after the challans paid against the defaults get reflected in such TDS statement.
- c) Where the deductor has paid the taxes deducted at source but has either not reported TDS transactions through TDS statement at all or; reported incomplete transactions in TDS statement. Challan against such transactions also remain as unconsumed challans on the computer system.

2. Procedure for matching the unconsumed challan with short payments

2.1. Following steps are to be taken to match the unconsumed challan:

1. Issuing letter to the deductor immediately, intimating the deductor about the facts regarding unconsumed challan. Deductor should be advised to file the correction statement, for claiming the challan, which has remained unconsumed.
2. On receipt of letter from the Assessing Officer (TDS) (hereafter referred to as AO – TDS), the TAN holder can make online corrections, which can be advised to him. The deductor can tag the unclaimed/available (unconsumed) challan for closure of demand on account of defaults like late filing fee, late payment of interest, late deduction interest.
3. The deductor can request the AO – TDS to force match the unconsumed challan. The AO – TDS on specific request from the deductor can force- match the unconsumed challans.
4. AO – TDS to periodically monitor the default summary for the demands raised.

5. After consumption/ tagging of the challan by the AO – TDS, an e-mail should be generated from the system and be sent to the deductor, so that the deductor can use the information for filing the correction statement.

2.2. Forced Matching (functionality in TRACES – AO Portal)

- To facilitate AO – TDS the view of unmatched challans in the statements filed by TANs under their charge and; to enable them to match these challans with any of the unconsumed challans available in OLTAS database, under the ownership of same TAN for the relevant period. The AO Portal provides the functionality of Forced Matching of challan.
- Only unmatched challans in a statement will be shown in the output table.
- At present, statements filed for F.Y. 2010-11 and 2011-12 only are available for forced matching.
- Only those challans from OLTAS will be displayed whose FY is within +1/-1 year range of F.Y. of the searched statement.
- Total of the amount shown in challan quoted in the statement has to be equal to or less than the available balance in a challan.
- Force Matching gives credit to the statement without changing the challan details mentioned in the statement. Hence, force-matching should be done only on deductor's request in writing and the application is to be uploaded on the portal while raising the request for such force-matching.
- Challan fields "claimed interest", "claimed others", and "levy" are not editable during forced matching.

2.3 Linking unconsumed challans with manual demands

The challans of deductors, whose manual demand has been raised by the AO – TDS and who has paid such demand, remain unconsumed in TRACES, as the same is not claimed by the deductor against any TDS/TCS statement. Such challans are on account of regular payment under the code '400' and needs to be tagged with the manual demand. The reason to link/tag the unconsumed challan with manual demand is step-wise specified, in detail, as under:

- As a practice, AOs - TDS record demands in their registers & start follow-up for collection. As soon as the a counterfoil of challan is received by the AO-TDS, he records the same in the register and treats the demand as collected. The demand pending in D & CR register is generally net demand outstanding after netting off the collection made. AO – TDS must ensure that gross demand raised (even in the cases of net NIL demand due to squaring off) is uploaded. The collection made through challans must

then be immediately tagged against gross demand to prevent further use of such unclaimed challan.

- In cases where demand is reduced completely or in part by way of reduction, due to rectification u/s 154 of the Income-tax Act, 1961 or; order of CIT(Appeal) or; ITAT or; Courts, it is not required to upload the gross demand. Effective net demand in these cases may be uploaded. If the gross demand is uploaded in such cases, it will create problems by tagging the unclaimed challans against demand which is actually reduced.
- However, in this practice, challans stay “Unclaimed” in OLTAS database, i.e., they are available for matching and consumption against TDS statements or any other demand which is outstanding as per the System which may lead to adverse consequences. Hence, it is very crucial to get the balance of these challans reduced by the appropriate amount.

2.4 Records for uploading the manual demand.

- The D & CR registers in most of the charges are not available prior to FY 2008-09. In such situation it is difficult to upload gross demand in each case, as the net demand is carried forward in the current D & CR. So a cut off year should be decided for tagging of the unclaimed challan. Further, no refund should be issued for unclaimed challans prior to the cut-off year through refund portal as it may lead to anomalous claims leading to revenue loss.
- It is recommended that payments made on account of compounding fee are uploaded using the bulk upload demand functionality. It is suggested to maintain the record in current D & CR, which should be uploaded periodically (say fortnightly). At present no such record is maintained at the AO – TDS level. A cut-off year/date can be decided and the information beyond these years/date can be compiled and uploaded on the system. Henceforth functionality may be enabled in the TRACES for calculating the compounding fees, which will also generate a demand notice. On payment, the demand can be tagged by the challan.
- To cater to this need and root-out these possibilities, CPC-TDS has introduced two sets of functionalities as under :-

2.5 Bulk-Upload Demand

- User can add/modify/delete a manual demand row by row. Manual demand created by the AO - TDS, has to be uploaded in the System. Utmost care should be taken as to what types of demands are to be uploaded. The deductor making payment on account of “**Compounding Fee**” should also be kept on record separately in the current D&CR and uploaded from time to time. The payment on account of such compounding fee is also being reflected as ‘unclaimed challan’ in software and is necessarily required to be tagged.
- Bulk upload (using a template) facility is also available to AO – TDS.

- The functionality must be used in order to make a record of the demand in System and get rid of the manual registers and to finally give the credit of collection against the demand in System so that the challans can be frozen.

2.6. Tag/Replace a Challan

- Tag/Replace challan functionality has been provided to the AO – TDS to enable him to tag the challans against the uploaded demands.
- On tagging of demand against a challan(s), the available balance in the OLTAS for that challan(s) gets reduced to the extent of the demand.
- A separate request will have to be submitted for tagging challan against each demand.

Standard Operating Procedure (SOP) defining the roles of different TDS Authorities in addressing the issue of unconsumed challan

I. Role of Principal CCIT/CCIT(TDS):-

- (i) Interacting with the CIT (TDS) on monthly basis and monitor the progress of tagging of unconsumed challans.
- (ii) Apprising the Zonal Member/Member(R) of the progress and result through quarterly report and a copy of the report shall also be sent to Principal DGIT (Admn.)

II. Role of CIT(TDS):-

- (i) Monitoring the progress on tagging of unconsumed challans fortnightly and reviewing TDS Range Heads under him.
- (ii) Monitoring the top hundred cases of TANs with unconsumed challans where no TDS return has been filed.
- (iii) Monitoring the top 100 cases of TANs where short payment has been detected.
- (iv) Getting the demands uploaded manually and even squared-up demands to be uploaded and challans be tagged to such demand.
- (v) Conducting monthly meeting with deductors and their representatives in order to ensure that unconsumed challans are minimized and the discrepancies are flagged and resolved by the deductors.
- (vi) Appraising the result to the CCIT by the 7th of the following month.
- (vii) Appraising the progress on unconsumed challan to the DIT (TDS), New Delhi alongwith MIS report.

III. Role of Addl.CIT(TDS):-

- (i) Identifying TANs with unconsumed challans where no TDS return has been filed.
- (ii) Identifying TANs with unconsumed challans where short payment has been detected
- (iii) Monitoring top hundred cases of TANs for tagging of unconsumed challans.

- (iv) Monitoring uploading of manual demand by the AO – TDS on regular basis.
- (v) Holding weekly review meeting with all AO – TDS.
- (vi) Apprising the CIT(TDS) of the outcome of such review meeting.
- (vii) Sending the progress in this area in the monthly D.O. to the CIT and also to be included in the MIS which is to be sent to DIT (TDS), New Delhi.

IV. Role of AO – TDS

- (i) Uploading manual demand on the System on daily basis.
- (ii) Identifying TANs with unconsumed challans where no TDS return has been filed and issue letters to the TAN holders.
- (iii) Tagging the challans against the uploaded demands.
- (iv) Apprising the Addl. CIT(TDS) of the progress made by the 3rd of following month.

V. Role of CIT(CPC-TDS), Ghaziabad:-

- (i) Disseminating the details of unconsumed challans at the AO – TDS portal under TRACES which shall be available to CIT(TDS)/Addl.CIT and the AO – TDS.
- (ii) Disseminating the details of unconsumed challans and demand outstanding to the TDS deductors by email.
- (iii) Aggregating the progress made in this area for each CIT(TDS) jurisdiction on a monthly basis on the AO – TDS portal.
- (iv) Making a quarterly review on the progress and provide critical inputs feedback from the next quarter.
- (v) Disseminating any other relevant information periodically or as and when required on the tagging of unconsumed challans through TRACES or through separate communication.

II. DRAFT OF STANDARD OPERATING PROCEDURE (SOP) FOR TOP DEDUCTORS PAYING LESS/NO TAX WITH RESPECT TO PREVIOUS FINANCIAL YEARS.

Introduction:

In past few years it has been observed that the list of top deductors is fluctuating very frequently in each CsIT (TDS) charge. This is mainly due to sudden break in depositing TDS or by paying very less TDS by many top deductors in relevant financial years. The downfall in TDS deduction of top deductors of the region needs to be monitored. The analysis of the downfall in TDS deduction should consider quantum of deduction, nature of the payment and reason for downfall.

Work relating to identifying top deductors paying less/no tax with respect to previous financial years:

- 1) Generating a list of top deductors on the system through TRACES, for the last three financial years.
- 2) Ascertaining reasons for lower tax deduction or collection, based on the type of industry/business.
- 3) Issuing letters to the deductor to ascertain the reason for negative growth and thereafter taking corrective measures such as spot verifications or referring the matter for prosecution in the case to the CIT (TDS), if the tax so deducted/collected is being utilized by the TAN holder for business.
- 4) In case of listed companies whose financial results are available in public domain, if there is fall in TDS as compared to earlier year but financial results show business growth, the case *must* be picked up for survey/spot verification.
- 5) Survey/spot verification may also be resorted to in case of deductors showing negative growth.

Standard Operating Procedure (SOP) defining the roles of different TDS Authorities in addressing the issue of top deductors paying less/no tax with respect to previous financial years

I. Role of Pr. CCIT/CCIT(TDS):

- (i) Interacting with the CIT(TDS) on a regular basis monitoring the fluctuation in the TDS/TCS collection.
- (ii) Apprising the Zonal Member/Member(R) of the fluctuations and reasons thereof alongwith Action Taken or proposed through monthly D.O. by 10th of the following month and a copy of the D.O. shall also be sent to Principal DGIT(Admn.)

(II) Role of CIT (TDS):

- (i) Discussing top cases with substantial fall compared to previous years with the Range Head.

- (ii) Analysing the reasons for fall in the TDS/TCS collection in the top cases and also examining the same section-wise.
- (iii) Suggesting follow-up action like spot verification/survey etc.
- (iv) Incorporating the action taken, in monthly DO.

(III) Role of Addl. CIT(TDS):

- (i) Examining the cases with substantial fall compared to previous years and also suggesting action on potential cases.
- (ii) Analysing the overall reasons for lower deduction or collection and also TDS/TCS section-wise analysis of negative trend.
- (iii) Taking follow-up action like spot verification/survey etc.
- (iv) Incorporating the action taken in monthly DO.

(IV) Role of AO – TDS:

- (i) Issuing letters to all TAN holders with substantial fall compared to previous years.
- (ii) Asking the Inspector to follow up these cases.
- (iii) Examining the negative trend in TDS/TCS collection section-wise.
- (iv) Getting market information about business prospects of the TAN holder.
- (v) Discussing all such cases with the Range head and also suggest corrective measures, if necessary.

(V) Role of CIT(TDS-CPC), Ghaziabad:

- (i) Providing list of top deductors with three years comparative chart including nature of the payment to each AO – TDS and such report should be generated on real time data.
- (ii) Providing copy of such information to jurisdictional Pr. CCIT/CCIT(TDS) as well.
- (iii) Analysing and updating sector-wise TDS growth in the other CCIT charges.

III. DRAFT STANDARD OPERATING PROCEDURE (SOP) FOR RESOLVABLE/ COLLECTIBLE TDS DEMAND

Introduction:

The outstanding TDS demand can be classified under various categories on the basis of immediate liquidation and prioritization. The outstanding TDS demand which are recoverable immediately and free from any dispute or litigation or corrections can be clubbed the category “resolvable demand”. Resolvable demands include the following:-

- (i) Short payment
- (ii) Interest on short payment
- (iii) Interest on late payment
- (iv) Late filing fees

Besides, there are other TDS liabilities like short deduction, interest on short deduction, penalty u/s 221 of the Income-tax Act, 1961, penalty u/s 271C of the Act etc. which are disputed by the deductors either by way of appeals or by way of filing correction statements. Accordingly, the resolvable TDS demand can be liquidated immediately and recovery of resolvable demand has been accorded top priority by the Board.

Standard Operating Procedure (SOP) defining the roles of different TDS Authorities in addressing the issue of resolvable/collectible TDS demand

(I) Role of Principal CCIT/CCIT(TDS):-

- (i) Interacting with the CIT(TDS) under his jurisdiction on a regular basis and monitor the progress of collection/resolution of resolvable/collectible demand.
- (ii) Apprising the Zonal Member/Member(R) of the progress and result through monthly D.O. by 10th of the following month and a copy of the D.O. shall also be sent to Principal DGIT(Admn.).

(II) Role of CIT(TDS):-

- (i) Monitoring the progress on collectible/resolvable demand fortnightly and review TDS Range Heads under him.
- (ii) Devising a strategy for follow-up action and to increase the pace of recovery, if any, required.
- (iii) Conducting monthly meeting with deductors and their representatives in order to make them aware of the TDS defaults and help in collection / resolution of demand.
- (iv) Ensuring that the CAP-I statement of TDS charges should be filled up on the basis of the information of total demand rolled out by the CPC-TDS.
- (v) Apprising the result of the recovery process to the CCIT/DGIT by the 7th of the following month.

- (vi) Apprising the progress on resolvable demand to the DIT(TDS), New Delhi alongwith MIS report.

(III) Role of Addl.CIT(TDS):-

- (i) Identifying resolvable demand to be recovered immediately after discussion with all the Assessing Officers.
- (ii) Holding weekly review meeting with Assessing Officers.
- (iii) Apprising the CIT(TDS) of the outcome of such review meeting.
- (iv) Preparing the CAP-I of TDS taking the total demand informed by CPC-TDS as the basis.
- (v) Sending the progress in this area in the monthly D.O. to the CIT and also to be included in the MIS which is to be send to DIT(TDS), New Delhi.
- (vi) Planning out any survey for recovery or resolution of such resolvable demand, if necessary.

(VI) Role of AO – TDS:

- (i) Preparing the CAP-I of TDS taking the total demand informed by CPC-TDS as the basis.
- (ii) Uploading manual demand on the System on priority.
- (iii) Identifying the resolvable demand due to short payment, interest on short payment interest on late payment and late filing fee and take prompt action for their recovery.
- (iv) Issuing letters requiring the assessee to file correction statement/revised statement with TRACES if demand is due to mismatch of challans, wrong PAN or any other reason and provide the latest position of demand as per TRACES.
- (v) Monitoring/follow-up the matter with the assessee.
- (vi) Coordinating with CPC - TDS in case of difficulty faced by the assessee.
- (vii) Considering resolvable/collectible demand also while issuing certificate u/s 197 of the Act.
- (viii) Taking recovery measures, if no action is taken by the assessee in respect of resolvable/collectible demand, so that the demand is reduced to Nil.
- (ix) Asking the Inspector to follow up these cases.
- (x) Looking into book entry transactions by government organizations and see whether TDS has been deducted and deposited.
- (xi) Apprising the Addl. CIT(TDS) of the progress made by the 3rd of every month.

(V) Role of CIT(CPC-TDS), Ghaziabad:-

- (i) Disseminating the details of the resolvable/collectible demand at the A.O. portal under TRACES which shall be available to CIT(TDS)/Addl.CIT/ and the A.Os.
- (ii) Disseminating the details of resolvable demand in the form of DVD/Soft Copy to each CIT(TDS) for his jurisdiction.
- (iii) Aggregating the progress made in this area for each CIT(TDS) jurisdiction fortnightly on the A.O. portal.

- (iv) Making a quarterly review on the progress and provide critical inputs feedback from the next quarter.
- (v) Disseminating any other relevant information periodically or as and when required on the recovery of the resolvable/collectible demand through TRACES or through separate communication.
- (vi) Making available the functionality of seeing the break-up of resolvable demand at all administrative levels.
- (vii) Updating the resolvable demands after filing of correction statements should be made fast-track.
- (viii) Enabling, the AO – TDS and Addl. CIT(TDS) to see refund on TRACES, if any, of assessee deductor under different TAN or PAN, so that the same may be considered for adjustment after due verification of nature of resolvable/collectible demand.

IV. DRAFT STANDARD OPERATING PROCEDURE (SOP) FOR G-OLTAS RECONCILIATION

Introduction:

Reconciliation of TDS reported by AINs with payments through OLTAS by State AGs is an important task for the field formation.

Existing Scheme:

- In the Government Accounting System each deductor is associated with a specific Accounts Officer (AO) who processes the bills prepared by the deductor.
- The Pay and Accounts Office (PAO)/District Treasury Office (DTO)/Cheque Drawing and Disbursing Office (CDDO) are required to file Form 24G as per Income-tax Department Notification no. 41/2010 dated May 31, 2010. In case of an office of the Government, where tax has been paid to the credit of Central Government without the production of a challan associated with deposit of the tax in a bank, the PAO / CDDO / DTO or an equivalent office (herein after called as AO in this document) government is required to file Form 24G.
- A unique seven digit Accounts Office Identification Number (**AIN**) shall be allotted, to every AO. Every AO shall furnish one complete, correct and consolidated Form 24G every month having details of all type of deduction / collection viz. TDS-Salary / TDS-Non Salary / TDS-Non Salary Non Residents / TCS.

Existing CGA instructions

ARRANGEMENTS FOR CREDIT TO CENTRAL GOVERNMENT OF INCOME TAX DEDUCTED AT SOURCE (TDS) FROM THE SALARY AND OTHER BILLS OF STATE GOVERNMENTS.

- Consequent upon departmentalisation of receipts accounts of Union Govt. (Civil), the income tax recoveries effected from the bills paid by the treasuries/State Government Pay and Accounts Officers/other State Government departmental offices rendering compiled accounts to the Accountants General shall be classified under the Minor head "TDS Suspense" below the Major head "8658 Suspense Accounts" in the State Section of accounts. The credit to this head will be accorded by transfer credit even at the time of recording pay order as per the provisions of Article 26 of Account Code Volume-II. These offices should also maintain details of credit to the suspense head as above under the various major, minor and detailed heads of account relating to deductions of income tax at source like "0020", "0021", etc.

- The Accountant General, will consolidate on a monthly basis for the State Circle as a whole the amounts shown under TDS Suspense by these authorities. A cheque for the total amount booked under TDS Suspense shall be sent by him, after the monthly accounts are closed, to the Zonal Accounts Officer concerned duly supported by a statement in duplicate showing the figures pertaining to each treasury/ PAO/ Departmental officer rendering compiled accounts etc. On receipt of the cheque and realising the same through the accredited bank, the Zonal Accounts Officer of the CBDT will straightaway classify the credits to the relevant major, minor and sub-heads of accounts on the basis of the source at which the deduction has been made as indicated by the Accountant General in the statement referred to above by keeping in view the guidelines prescribed in CGA's O.M. No. S. 11024/1/80/TA/2457 dated 24th June, 1980.

Issues for consideration

It is seen that there are following lacunae in the functioning of the scheme:

- a) List of active AIN holders is less than total no of AINs allotted.
- b) Amount reported by state Government AINs in form 24G is less/**more** than the amount reported by the State AGs as consolidated deduction during the year.
- c) Due to such a reporting, inference is drawn that whether any TDS collection was left to be accounted for or there was any incorrect reporting in Form 24G.
- d) It is also seen that there are substantial delays in deposit of TDS collections by AGs, some times more than months.
- e) TDS claimed by deductees of State Government departments in their individual returns of income, is more than the figure reported by State AGs/Form 24G.

Standard Operating Procedure (SOP) defining the roles of different TDS Authorities in addressing the issue of GOLTAS reconciliation

(I) Role of Pr. CCIT(CCA)/CCIT(TDS):

- (i) Interacting with Chief Secretary of State and Principal A.G. to highlight the issue
- (ii) Taking up the issue of belated remittance of Government TDS
- (iii) Suggesting follow-up action, if any, required with respect to the above
- (iv) Discussing and obtain details of progress made in such cases from CsIT(TDS) under him.

(II) Role of CIT(TDS):

- i) Co-ordinating with State Government finance department and Account Officers and AGs (A&E) to solve the issue
- ii) Maintaining a master list of AIN holders in his jurisdiction and periodically remove inactive AINs
- iii) Updating AIN-TIN mapping with the help of CPC(TDS)
- iv) Removing inactive TANs/AINs based on information sent by CPC-TDS and on enquiries made by AO – TDS.

- v) Monitoring compliance in filing of Form 24G by the PAO/Treasury Officers (the AIN holders).
- vi) Sensitizing them towards dissemination of BIN to the Govt. deductors. The 24G Statements filed by the AIN holders should be utilized to issue notices to Government deductors to file their TDS statements in time.
- vii) Monitoring timely receipt of TDS payments of State Government through Accountant General.
- viii) Causing enquiries to be conducted in case of AINs not issuing BINs/Not filing statements/under reporting TDS made by them.
- ix) Holding seminars with big Central Organizations to educate and familiarize them with the procedures for proper capturing of TDS data AIN-wise.
- x) Ensuring that the State AGs send a report as prescribed in CGA's OM No. S11024/1/80/TA/2457 dated 24.06.1988.
- xi) While giving approval for the fresh AINs to be allotted, the CIT(TDS) should verify the justification for requirement of such AIN.
- xii) Reporting the outcome/efforts made in the monthly D.O. letter.

(III) Role of Addl. CIT(TDS):

- i. Liaisoning with NSDL for regularly updating the AIN registry and ensuring correct data entry in respect of AINs.
- ii. Developing a liaison for new Offices/new DDOs may be requested to obtain AIN/TAN on a priority basis.

(IV) Role of AO – TDS:

- i) Verifying the correctness of Form 24G and report the incorrect details to CPC and ensure correctness from deductors.
- ii) In case of non-filers, ensuring compliance from assessee deductors.
- iii) Conducting awareness programmes in case of Govt./semi-Govt. offices having five or more DDOs /PAOs.

(V) Role of CPC-TDS:

- i. Running Back end queries and reports to identify inactive TANs/AINs and remove them from the data base in coordination with CITs(TDS).
- ii. Updating AIN-TAN mapping frequently and intimate field formations.
- iii. Running reports to identify cases where TDS reported by State AGs does not tally with that reported in form 24G.
- iv. Identifying AINs/TANs responsible for this and intimate field formations.
- v. Running Back end queries and reports to identify inactive TANs/AINs and remove them from the data base in coordination with CsIT(TDS) and generate and disseminate such reports periodically.
- vi. Updating AIN-TAN mapping frequently and intimate field formations.

- vii. Running reports to identify cases where TDS reported by State AGs does not tally with that reported in form 24G.
- viii. Identifying AINs/TANs responsible for this and intimate field formations
- ix. Identifying AINs not issuing BIN and communicate the same to AO – TDS and Addl. CIT(TDS).
- x. Identifying the incorrect details filed in AIN directory and generate such reports periodically.
- xi. Making accessible report about AINs /TAN in other CsIT(TDS) charges in the same state to all CsIT in that state, so that there may be better co-ordination.

V. DRAFT STANDARD OPERATING PROCEDURE (SOP) FOR CORPORATE CONNECT FOR TDS COMPLIANCE.

Introduction:

CPC(TDS) has taken steps like “Corporate connect for TDS Compliance” for providing non-adversarial tax administration at the corporate level. The attempt is to make the “Principal Officer” of the corporate entity aware about the TDS defaults being committed by underlying branches. The purpose of the exercise is to impress upon the Head office that any default on part of branches and consequential interest, penalty is ultimately the liability of the corporate.

As on date, a comprehensive view is available to the corporate entity (at PAN level) that displays TAN-wise defaults/compliance patterns for different years. This view is available to the corporates online under the heading ‘Aggregated TAN compliance’ on the portal of the CPC-TDS TRACES.

Work relating to Corporate Connect for TDS compliance:

- i) Organizing workshops with big Corporates/Banks with large number of TANs to sensitize the Principal Officers of respective Corporates/Banks about various defaults being committed by their branches.
- ii) Sensitizing corporates that the defaults committed by branches have implications on the total income of the corporate entity in view of section 40(a)(ia) of the Act and also the fact that interest u/s 201(1A), fee u/s 234E do not qualify work deduction and such defaults also attract prosecution against the deductor.
- iii) Sensitizing the corporates that the defaults on their part impact their clients as they are unable to get credit in their income-tax returns.

Standard Operating Procedure (SOP) defining the roles of different TDS Authorities in addressing the issue of Corporate Connect for TDS compliance:

(I) Role of Pr. CCIT(CCA)/CCIT(TDS):

- i) Interacting with CIT(TDS) under his jurisdiction on regular basis and to obtain from them result of cases followed up by them.
- ii) Suggesting follow-up action, if any, required with respect to any particular Corporate PAN.
- iii) Apprising the Zonal Member/Member(R) of the progress and result through monthly D.O. by 10th of the following month and a copy of the D.O. shall also be sent to Principal DGIT(Admn.).

(II) Role of CIT(TDS):

- i) Discussing and obtain progress made in TDS Corporate Connect cases from Addl.CIT under him.
- ii) Suggesting follow-up action, if any, required with respect to any particular Corporate PAN.
- iii) Apprising of the result to the Pr. CCIT/CCIT(TDS) by 7th of the following month.
- iv) Interacting with CEOs/CFOs of selected Corporate PANs in his jurisdiction and impress upon them the mutual benefits of such an exercise for both the Corporate as well as for the Income-tax Department.
- v) Discussing and review the outcome of meetings held by the Addl.CIT(TDS) under him with respect to CEOs/CFOs handled by Addl.CIT(TDS).
- vi) Distributing soft copies of latest information received from CPC-TDS to all the Addl. CIT(TDS) under him.

(III) Role of Addl.CIT(TDS):

- i) Organizing meetings with the Corporate CEOs/CFOs in his jurisdiction and to impress upon them the mutual benefit of such TDS Corporate Connect exercise.
- ii) Apprising the CIT(TDS) of the outcome of such meeting on the first of the following month.
- iii) Maintaining a record of such meetings to be forwarded to the CIT(TDS) in the format which may be prescribed or through the monthly D.O.

(IV) Role of AO – TDS:

- i) Assisting the Addl. CIT(TDS) in organizing meetings with the Corporate CEOs/CFOs in his jurisdiction.
- ii) Maintaining a record of such meetings to be forwarded to the CIT in the format which may be prescribed or through the monthly D.O.

(V) Role of CIT(CPC-TDS) Ghaziabad:

- i) Disseminating the updated information in soft copy in respect of Corporate PAN to respective CsIT(TDS) on the first of every month.
- ii) Forwarding a copy of such information in soft copy to the concerned Pr.CCIT/CCIT(TDS)/CIT(TDS) having jurisdiction over those Corporate PANs.
- iii) Reviewing on quarterly basis such progress and to provide further inputs/guidance to the region wherever it is required.
- iv) Supplementing the details required by field formations in top priority cases on the request received from the concerned CCIT region.
