

MSEDCL/AD/SB/Income Tax/ 47

Date: 10 JAN 2012

CIRCULAR

To,

All Chief Engineers (O&M), Zone.

All Supdt. Engineer (O&M) Circle.

Sub : Filling of TDS Returns by Field Offices and issuance of TDS Certificates in respect of Turnkey Contractors.

As per Income Tax Act, MSEDCL has to file Income Tax Returns on Quarterly basis. Also TDS Certificates to be Issued after deduction of Tax at source under Income Tax Act 1961. Presently the TDS is deducted by Loan section on the total bill amount of Contractors and these bills are forwarded to REC/PFC for payment and Challan of TDS amount paid on concern Circle office TAN no. are forwarded to concern Superintending Engineer for filling of TDS returns.

However, it is observed that some of the Circle offices are not considering the Contractors TDS Deduction at the time of filling E-returns of their Circle offices, due to which the contractors are not getting Credit of their TDS deduction through Income Tax Department.

As per Income Tax Act 1961 and the terms of the contracts for the works under various schemes it is required to follow the following Due Dates of Income Tax act :

1. As per Income Tax Act 1961, Consequences of failure to deduct tax, or after deducting failure to pay tax deducted/tax collected at source u/s. 201(1A) : Under the existing provision of section 201(1A) of the Act, where the person does not deduct the tax or after deducting fails to pay the tax, he is required to pay **simple interest at the rate of 1% for every month or part of the month.**

2. Due Dates for Depositing of the TDS


Tax has to be deposited within one week from the last day of the month of deduction. i.e. 7th day of every Month for the Tax deducted in earlier month.

3. The Due Dates to File E>Returns are :

For the quarter ended	June 30	Sep 30	Dec 31	Mar 31
Due Date	July 15	Oct 15	Jan 15	May 15

4. If the deductor fails to furnish the TDS return within due date, he shall be liable for **Penalty of Rs. 100/- per day** for the period of default.
5. Issuance of TDS certificates in the form no 16A by downloading from TIN website has been made mandatory from 01.04.2011 and only these are the valid certificates to be issued to the Deductees. The copy of circular is enclosed herewith for ready reference.

It is instructed to follow the Income Tax Act 1961 and take the necessary action to Revise/ correction of Returns filled and issue the Valid TDS certificates at your end on Quarterly basis.


General Manager (CF)

Copy s. w. rs to,

Chief Engineer (INFRA/DSPC), H.O., Mumbai.



DIRECTORATE OF INCOME TAX (SYSTEMS)

For any queries please contact TIN Call Centre
Phone: 020-2721 8080
Fax: 020-2721 8081
Email: tin_returns@nsdl.co.in

PKG : 26843



Ref.: FORM16A/2011-12/MUMM27406B

MSEDCL
PLOT NO.9,
PRAKASHGAD, ANANT KANEKAR MARG,
BANDRA E, MUMBAI,
MAHARASHTRA - 400051

Dir.(F)/Dist./..... 6276 Date: 23/11/2011

Date: 15/12/2011

C.G.M. (CF) 6983
MSEDCL/DR 13-12-11

*gm(CA)
As discuss along
Q with pati/ (S)
19/12/11*

Dear Sir/Madam,

Subject: Issuance of TDS Certificates in Form No 16A downloaded from TIN Website, for deduction of Tax at source made on or after 01.04.2011 – Circular No. 3/2011 of 13th may, 2011

Please refer to the aforesaid subject.

- As you may be aware, for proper administration of the Income Tax Act. the Central Board of Direct Taxes have, vide circular no. 03/2011 dated 13th May, 2011 (available at [website www.incometaxindia.gov.in](http://www.incometaxindia.gov.in)), laid down that all the corporate and bank deductors shall issue TDS certificate in Form No 16A generated through TIN central system and which is downloaded from the TIN Website with a unique TDS certificate number in respect of all sums deducted on or after the 1st day of April, 2011 under any of the provisions of Chapter-XVII-B other than section 192.
- It is noticed that you have not downloaded Form No 16A either for quarter ended June 2011 or for September 2011 from the TIN central system till 31/10/2011. **Since, issue of TDS certificate in Form No 16A by downloading from TIN website has been made mandatory from 01.04.2011 for corporates and banks, and only these are the valid certificates**, you are advised to download the same from the TIN website and issue the downloaded certificates, duly authenticated by using either digital or manual signature, to the deductees so that the chances of mismatch between TDS certificate in Form No 16A and Form No 26AS can be completely ruled out.
- Your attention is also drawn towards the provisions of Section 203 of I.T Act 1961, which makes it mandatory for the deductors to furnish the TDS certificates to the deductees with in the time limit as prescribed under Rule 31(3) of the I.T Rules 1962.
- Particulars of deductee are displayed on the Form 16A as per the PAN details (name and address) present at Income Tax Department. In case of any change in PAN details, you may advise the deductee to update the details by making an application in a 'PAN Change Request Form' through NSDL or UTITSL.

*Dirchin, P1
16.12*

Yours sincerely,

(Shiv Raj Singh)
ADIT –System - II

Facility to obtain TDS/TCS statements is available at TIN website. Register your TAN online at TIN website to avail this facility. For more details visit TIN website at www.tin-nsdl.com Online Tax statement (Form 26AS) helps you in filing your income return. View your Form 26AS through:

- www.tin-nsdl.com
- Net banking facility
- ITD e-filing portal

Caution: Income Tax Department does not sent e-mails regarding refund and does not seek information like user name, password, details of ATM, bank account, credit card, etc. Tax payers are advised not to part with such information on the basis of e-mails.

INCOME TAX CIRCULAR**No. 3/2011****Dated 13th May, 2011****INSTRUCTIONS ON ISSUANCE OF TDS CERTIFICATES
IN FORM NO. 16A AND OPTION TO AUTHENTICATE
SAME BY WAY OF DIGITAL SIGNATURE**

Section 203 of the Income-tax Act 1961 ("the Act") read with the Rule 31 of the Income-tax Rules, 1962 ("the IT Rules") provides for furnishing of certificate of tax deduction at source (TDS) by the deductor to the deductee specifying therein the prescribed particulars like amount of TDS, permanent account number (PAN), tax deduction and collection account number (TAN), etc. The relevant form for such TDS certificate is Form No.16 in case of deduction under section 192 and Form No.16A for deduction under any other provisions of Chapter XVII-B of the Act. TDS certificate in Form No.16 is to be issued annually whereas TDS certificate in Form No.16A is to be issued quarterly.

2. Currently, a deductor has an option to authenticate TDS certificate in Form No.16 by using a digital signature. However, no such option of using a digital signature is available to a deductor for issuing TDS certificate in Form No.16A and it, therefore, needs to be authenticated by a manual signature. The Central Board of Direct Taxes (the Board) has received representations to allow the option of using digital signature for authentication of TDS certificate in Form No.16A as issuance of TDS certificate in Form No.16A by manual signature is very time consuming, specially for deductors who are required to issue a large number of TDS certificates.

3. The Department has already enabled the online viewing of Form No.26AS by deductees which contains TDS details of the deductee based on the TDS statement (e-TDS statement) filed electronically by the deductor. Ideally, there should not be any mismatch between the figures reported in TDS certificate in Form No. 16A issued by the deductor and figures contained in Form No.26AS which has been generated on the basis of e-TDS statement filed by the deductor. However, it has been found that in some cases the figures contained in Form No. 26AS are different from the figures reported in Form No.16A. The gaps in Form No.26AS and TDS certificate in Form No. 16A arise mainly on account of wrong data entry by the deductor or non-filing of e-TDS statement by the deductor. As at present, the activity of issuance of Form No.16A is distinct and independent of filing of e-TDS statement, the chances of mismatch between TDS certificate in Form No.16A and Form No. 26AS cannot be completely ruled out. To overcome the challenge of mismatch a common link has now been created between the TDS certificate in Form No.16A and Form No.26AS through a facility in the Tax Information Network website (TIN Website) which will enable a deductor to download TDS certificate in Form No.16A from the TIN Website based on the figures reported in e-TDS statement filed by him. As both Form No.16A and Form No.26AS will be generated on the basis of figures reported by the deductor in the e-TDS statement filed, the likelihood of mismatch between Form No.16A and Form No.26AS will be completely eliminated.

4. In view of the above, for proper administration of the Act, the Board have, in exercise of powers under section 119 of the Act, decided the following:—

4.1 Issue of TDS Certificate in Form No. 16A

(i) *For deduction of tax at source made on or after 1-4-2011:*

(a) The deductor, being a company including a banking company to which the Banking Regulation Act, 1949 applies and any bank or banking institution, referred to in section 51 of that Act or a cooperative society engaged in carrying the business of banking, shall issue TDS certificate in Form No.16A generated through TIN central system and which is downloaded from the TIN Website with a unique TDS certificate number in respect of all sums deducted on or after the 1st day of April, 2011 under any of the provisions of Chapter-XVII-B other than section 192.

(b) The deductor, being a person other than the person referred to in item (a) above, may, at his option, issue TDS Certificate in Form No.16A generated through TIN central system and which is downloaded from the TIN Website with a unique TDS certificate number in respect of all sums deducted on or after the 1st day of April, 2011 under any provisions of Chapter-XVII-B other than section 192.

(ii) *For deduction of tax at source made during financial year 2010-11:*

The deductor, may, at his option, issue the TDS certificate in Form No.16A generated through TIN central system which is downloaded from the TIN Website with a unique TDS certificate number in respect of all sums deducted during the financial year 2010-11 under any of the provisions of Chapter- XVII-B other than section 192.

4.2 Authentication of TDS Certificate in Form No. 16A

- (i) The deductor, issuing the TDS certificate in Form No.16A by downloading from the TIN Website shall authenticate such TDS certificate by either using digital signature or manual signature.
- (ii) The deductor being a person other than a person referred to in item 4.1(i)(a) above and who do not issue the TDS Certificate in Form No.16A by downloading from the TIN Website shall continue to authenticate TDS certificate in Form No.16A by manual signature only.

5. The Director General of Income-tax (Systems) shall specify the procedure, formats and standards for the purpose of issuance of TDS certificate in Form No.16A which is downloaded from the TIN Website and shall be responsible for the day-to-day administration in relation to the procedure, formats and standards for issuance of TDS certificate in Form No.16A in electronic form.

6. It is further clarified that TDS certificate issued in Form No. 16A by the deductors covered by para 4.1(i)(a) in accordance with this circular and procedure, format and standards specified by the Director General of Income-tax (Systems) shall only be treated as a valid TDS certificate in Form No. 16A for the purpose of section 203 of the Act read with Rule 31 of the IT Rules, 1962.

[F. NO. 275/34/2011-(T-B),