

Important e-mail message received from Income-tax Department

Dear Sir/Madam,

As per CBDT circular no. 03/2011 dated May 13, 2011, (which is appended for information of members) TDS Certificates in Form No. 16A will be generated from Tax Information Network (TIN). It is mandatory for Companies and Banks to issue Form 16A from TIN to their deductees for deductions made from April 1, 2011 (F.Y. 2011-12 onwards). Circular attached for reference.

Deductors other than Company and Banks can also request Form 16A from TIN.

Form 16A is available for F.Y. 2010-11 also on the TIN website. It is available to TANs registered at TIN website (www.tin-nsdl.com). Register your TAN online at the TIN website now for Form 16A from TIN.

Brief procedure for receiving Form 16A from TIN website:

1. Login to TAN Registration Account with user id, password and TAN.
2. Request Form 16A by carrying out verification by providing details of challan and deductees present in the TDS statement for which Form 16A is requested.
3. Form 16A will be provided on successful verification.
4. Two attempts within a day for successful verification are provided.
5. On successful verification, request number is generated and text file containing Form 16A details is e-mailed within 48 hours at the e-mail ID present in the registered TAN account.
6. In case of large number of records multiple files of Form 16A are created and will be sent through multiple emails.
7. Convert the text file to Form 16A by passing the text file through the PDF Converter Utility. The utility is available to registered TAN post login.

For any query related to the above you may contact TIN Call centre at :
Tel: 91-20-27218080; Fax: 91-20-2721 8081;
Email ID: tin_returns@nsdl.co.in

On behalf of Tax Information Network of the Income Tax Department

CIRCULAR NO. 03 /2011

F. No 275/34/2011-(IT-B)
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi, dated the 13th May, 2011

Subject: Issuance of TDS Certificates in Form No. 16A downloaded from TIN Website and option to authenticate the same by way of digital signature – Circular under section 119 of the Income-tax Act 1961

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 01/04/2011:

(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 co-operative society engaged in carrying the 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(1)(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.

7. Hindi version shall follow.

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