

Editorial Note

A slip between the cup and the lip

There is always a gap between the cup and lip. There can be a slip. There have been many instances in life, where we have almost made it, but some thing undid the entire story for us. The road was clear, the path was clean, the vehicle was ready but the bridge gave way. How many bridges have given way, we have been trying to join the dots going ahead every time.

In this news letter, we have tried to plug the gap between the cup and lip. *The all pervasive and omni present "Tax deduction at source"*. There have been innumerable instances where the tax is deducted form your salary, or from your fees, or from your contract, but you would not get the credit.

It is hard to believe, you have the TDS certificate, you have the ledger extract, all accounts tie up, but yet you have not got the credit. In such instances where there is a slip it is loss of hard cash, you loose money. We have tried to illustrate how one can loose the TDS money.

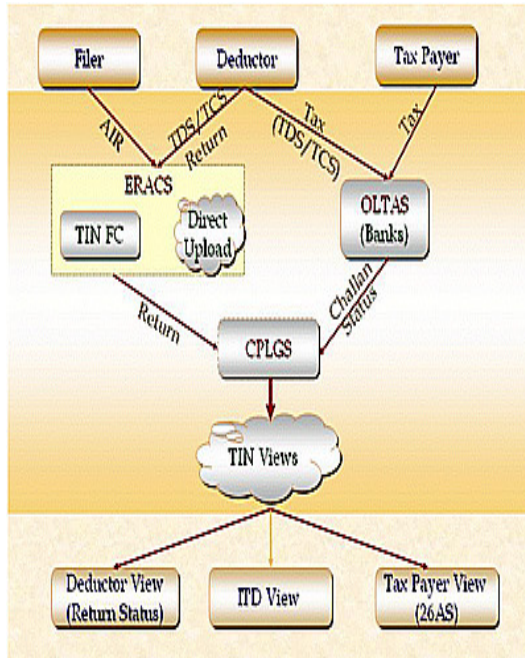
In many business houses the net profits are only 10% to 12%, beware, your profits are getting eaten by TDS . Where are your profits, it might be in the TDS. Check it out.

We have pleasure in bringing this edition to you

Editorial team

Precautions to be taken to avoid Letters/ Notices from IT Department!!!!

REMEMBER: PREVENTION IS BETTER THAN CURE



On receipt of the amount, receiving bank will upload the details in the Challans to Government via NSDL through its OLTAS (Online Tax Accounting System) return within 3 working days.

Once deductor makes the payment, he should cross-verify the Amount and CIN that has been uploaded by the receiving Bank to NSDL

This should be cross-verified by the deductor, with either his CIN number provided by bank against each challan.

What is CIN?

Challan Identification Number (CIN) has three parts

1. Seven digit BSR code of the bank branch where tax is deposited
2. Date of Deposit (DD/MM/YY) of tax
3. Serial Number of Challan

Example of CIN: 0000762 020208 32

CIN is stamped on the acknowledgement receipt to uniquely identify the tax payment. CIN has to be quoted in the return of income as a proof of payment. CIN is also to be quoted in any further enquiry. Therefore, you must ensure that CIN (comprising the above three parts) is stamped on the Challan by the bank. If any challan does not contain CIN, immediately contact the Bank and insist on CIN.

Trivia - The 1st US Minimum Wage Law was instituted in 1938. The minimum wage was 25 cents per hour.

If banks does not provide a Proper CIN?

The Reserve Bank of India has already passed an order dated April 1, 2004 making it compulsory for all tax collecting branches of banks to use a rubber stamp acknowledgement that carries CIN. A separate CIN is given for each challan deposited. If the Bank Manager concerned is unable to resolve the issue, you should address your grievance to the Bank's Regional Manager and the Regional Office of RBI.

Steps to verify the challan:

1. Visit www.tin-nsdl.com and click on “Challan Status Enquiry”.
2. Here select either
 - a. **CIN Based View**

On entering CIN and amount (optional), deductor can view the following details:

- BSR Code
- Date of Deposit
- Challan Serial Number
- Major Head Code with description
- TAN/PAN
- Name of Tax Payer
- Received by TIN on (i.e. date of receipt by TIN)
- Confirmation that the amount entered is correct (if amount is entered)

b. TAN based View

By providing TAN and financial year, deductor can view the following details:

- CIN
- Major Head Code with description
- Minor Head Code
- Nature of Payment

If deductor enters the amount against a CIN, the system will confirm whether it matches with the details of amount uploaded by the bank.

Trivia -The dollar was established as the official currency of the US in 1785.

3. On getting above details, deductor can consider the result obtained here, irrespective of what has been put in the challan by the bank.

If the entry is missing over here, after 3 working days [from the date of issuing counter foil], deductor should contact the Bank Branch to check the matter.

Deduction-to-payment verification

Once the deductor has made the deduction and respective payment, a detailed verification of “Deduction to payment” should happen. This should happen before preparing the Quarterly Statement for respective quarter.

The points to be noted while verifying Deduction-to-payment:

1. No deductions have been left unpaid.
2. All the challans are matching with the nature of payment [Section]
3. All the Challans are matching with Type of deductees listed with deductions before it.

Appropriate Interest calculation has been done and paid for each deduction and Challan, wherever applicable.

Submitting a correct statement [Regular Return] – FILING e-TDS

Type of submission

E-Filing

a. Mandatory:

1. From FY 2003-04, it is mandatory to all corporate deductors to file the TDS return electronically.
2. From 30-6-2005, e-filing is mandatory to Government deductors also.
3. From 01-09-2007, e-filing has been extended to
 - i. All deductors who are liable for audit under section 44AB of Income Tax Act {Tax Audit} in the immediate preceding FY.

Trivia -The first coin minted in the United States was a silver dollar. It was issued on October 15, 1794.

- ii. All the deductors whose deduction records in a quarterly statement for any quarter of the immediately preceding financial year is equal to or more than fifty.
- b. **Types:** There are 2 Provisions for submitting a TDS return under this method
- a. **Electronic [TIN FC]:** In this procedure,
 - i. Deductor should prepare the return in the FVU format and file it at the TIN FC in a CD/Floppy.
 - ii. Deductor should also enclose a declaration letter in Form 27A.
 - iii. Deductor should pay the submission charges to TIN FC, depending on the deduction records, as Rs. 25, Rs 150, Rs 500 for upto 100, upto 1000 and above 1000 deduction entries, respectively. Additional service taxes applicable.
 - b. **Digital [online]:** In this process,
 - i. Deductor should prepare the FVU file and upload online to www.tin-nsdl.com, with his respective login.
 - ii. Deductor should also have obtained a Digital Signature.
 - iii. As a prerequisite, deductor should have got registered with NSDL, with nominal registration charges.
 - iv. While registration, deductor should deposit the minimum advance of Rs. 1000/- and subsequently make the payments, minimum of 500/-.
 - v. The advance amount will be adjusted with each return uploaded as “Metering Upload charges”.
 - vi. Metering upload charges will be same as that charged by TIN FC.
 - vii. This facility can be used extensively by banks and organization having multiple branches with different TAN. All the branches can upload the return under single login. [Note: the Branch TANs should be registered with NSDL prior, for the same account]

Return not accepted by TIN FC

If any return is not accepted by TIN FC, deductor should collect the “non Acceptance memo” in paper, duly signed by TIN FC. This should be taken for rechecking the regular return file.

Trivia -The first modern Olympiad was held in Athens in 1896. 484 contestants from 13 nations participated.

Form 27A:

This is the declaration being provided by the deductor for filing of “electronic TDS return”. This is also applicable for TCS returns filed for FY 2005-06 or later. Form 27A should be in paper Format manually signed by responsible person for the Deductor.

Status of TCS/TDS Statements

Deductor details (TAN) as per TAN Master	
TAN	RTK507223G
Name	GANPATI FASTENERS
Address	HISSAR ROAD NEAR NIKHAR SOAP FACTORY ROHTAK ROHTAK 124001


Statement Details	
Provisional Receipt No.(PRN)	014310200015565
Assessment Year	201011
Form No.	26Q
Quarter	01
No. of Challan / Transfer Voucher	2

File Ref No.	Statement Type (Transaction Type)	Provisional Receipt No.(PRN)	Provisional Receipt Date	Name & Address as per Statement	Batch No.	Status
14129489	Regular (Original)	014310200015565	07-07-2009	Click Here	1	Received by TIN

[Home](#) [View More PRNs](#) [View Challan Status Uploaded By Bank](#)

PRN or RRR number

The Provisional Receipt Number [PRN or also termed as RRR number] will be provided by NSDL [TIN FC or Online] on successful submission of a TDS/TCS return. This receipt number will be the future reference for the return of that particular quarter of the financial year.



TAX INFORMATION NETWORK
of Income Tax Department

* TAN views are available for quarterly statements only (F.Y. 2005.06 onwards)

Status of TCS/TDS Statements

TAN:

Provisional Receipt No.(PRN):

Verifying submitted return

After a return has been filed under TDS or TCS, deductor should verify the return on www.tin-nsdl.com. This will ensure the 100% perfect filing of the return. Once the return is accepted by a TIN FC, it will be available online within 3 working days

Login

Once the return is put online by NSDL [within 3 days],

Deductor can visit, www.tin-nsdl.com and go to “Q

1. Here he can provide his TAN and the respective PRN number to login.
2. Once logged in, it displays the details in the return.

Verification

1. After successful login, deductor should check for the Challan Status, pertaining to matching of challans with OLTAS data. [This can be done by clicking the link in front of Challan count]

Trivia -The name of the first airplane flown at Kitty Hawk by the Wright Brothers, on December 17, 1903, was Bird of Prey.

2. Also Deductor should, check the “PAN not in ITD Database”. This will give the list of PANs not found in ITD database.
3. Also Check for No/Invalid PAN count. This will show the total number of deductions not having Valid PAN mentioned in the return.

Action after verification

Statement Details	
Provisional Receipt No.(PRN)	080010300028610
Assessment Year	200708
Form No.	24Q
No. of Challan	4

File Ref No.	Statement Type (Transaction Type)	Provisional Receipt No.(PRN)	Provisional Receipt Date	Name & Address as per Statement	Batch No.	Status
1814300	Regular (Original)	080010300028610	14-07-2006	1	Received by TIN

[Home](#) [View More PRNs](#)

Statement Type (Transaction Type)

Regular (Original):First statement furnished by a TAN for a quarter for a form.

Correction (C1):Type of correction statement which can update deductor details (excluding TAN).

Correction (C2):Type of correction statement which can update deductor (excluding TAN) and/or challan details.

Correction (C3):Type of correction statement which can update deductor (excluding TAN) and/or challan and/or deductee details.

Correction (C5):Type of correction statement which can update PAN of deductee.

Correction (C9):Type of correction statement which can add a challan and its underlying deductees.

Correction (Y):Type of correction statement to cancel the regular statement (only in case of TAN change).

1. PANs not mentioned in the return

Collect the PANs of deductees not mentioned

in the return and prepare a correction return for the Same.

2. PANs listed as “not in ITD database”

In this case, the respective entry should be

Tracked in the return and PAN of the deductee

should be verified. On getting the correct PAN, correction statement should be filed accordingly.

1. Challan status showing “Match Failed” or “Match pending”:
 - a. If deductor has made any mistake/s in his TDS/TCS returns he can rectify them by filing a correction statement.
 - b. If the bank has made any mistake in the amount or name or major head code given by them against your CIN, they can rectify them. Deductor can give a written application for the same addressed to the branch manager.
 - c. If the bank has made any mistake in TAN or CIN you will have to contact your TDS Assessing Officers. Deductor can give a written application for the same addressing to Assessing Officer.

Challan / Transfer Voucher	Challan Identification Number (CIN)			Count of Deductees	Count of Unbooked Deductees		Status of Challan / Transfer Voucher
	Bank Branch Code (BSR Code)	Challan Tender Date*	Challan Serial No.		PAN not in ITD Database	No/Invalid PAN	
1	000.000	16-11-2007	1	1	0	0	Booked
2	000.000	16-11-2007	2	1	0	0	Booked
3	000.000	07-11-2007	3	1	0	0	Match Failed

- d. If bank has not uploaded your challan, then Deductor may request the bank to upload the same.

After a return has been filed under TDS or TCS, deductor should verify the return on www.tin-nsdl.com. This will ensure the 100% perfect filing of the return. Once the return is accepted by a TIN FC, it will be available online within 3 working days.

Analyzing the challan status and Action required

Inconsistencies in TDS returns

Notice from DGIT Systems

Director General of Income tax [Systems] will send a notice/letter to the deductor, in case there are any inconsistencies found in their return.

Recent Notices:

Date of Letter	For Quarter	Financial year
Feb 2006	Q1	2005-06
	Q2	
	Q3	
Feb 2007 [Also Oct 2007]	Q4	2006-07
	Q1	
	Q2	
15 Feb 2008	Q3	2007-08
	Q4	
	Q1	

	Q2	
Yet to be generated	Q3	
	Q4	

Content of Notice

The notice will contain tabular information of returns filed during that financial year and status/inconsistencies of that return.

How to verify the inconsistencies

On receiving of the letter, deductor should follow the “verification of submitted return” procedure mentioned earlier. And thereby follow the steps and file correction statement, if necessary.

Correcting regular return

Correction Statement

1. Correcting the TDS/TCS return that has been already submitted to NSDL is a Correction Statement.
2. Note that this is not a revised return and only the partial data [that needs to be corrected] should be submitted in the specified correction format.
3. All the correction statements should be referred through the PRN number of corresponding quarter.
4. If corrections are being made for the second time or later [for the same quarter], then it should also be referred through the last PRN provided by NSDL corresponding to that quarter.

Types of Corrections

Depending on the type of modification deductor wants to do in the regular return, Correction Statement is divided into 7 types; viz.,

Correction type - C1:

This is meant for “Corrections done in **deductor details** except TAN no”.

Example:

Say in the deductor details, the PAN of the deductor was mentioned wrongly. Updating the PAN in the Deductor details, will be generating a correction type of C1.

Similarly any other change in deductor details including, deductor name, address, responsible person, etc, will result in generation of C1 Correction.

Note: to update the TAN, correction type “Y” should be used.

Correction Type - C2

This is meant for “Corrections in the deductor details and/or **challan details.**”

Example:

Say, in a particular Challan detail, “Challan Serial no” was mentioned wrongly. Now, updating the Challan Serial number will be generating a correction type of C2.

When there is a C2 correction, C1 correction does not appear, as C2 can also include C1 type correction.

The challans can also be updated for other details like, CIN details, Amount, Section, Mode of payment or cheque details.

Note that:

1. There is no provision to delete a Challan. In such cases, it should be done by cancelling the statement.
2. Any addition of New Challan is referred in C9 type of correction.

Correction Type – C3

This is meant for “Corrections in deductor details and/or challan details and/or **deductee details** (except PAN no)”.

Example:

Say, in a particular Deduction detail, “Education Cess” was mentioned wrongly. Now, updating the Education Cess in that record will be generating a correction type of C3.

The Deductions can also be updated for other details like; Amount paid details, TDS made details, and the referring challan.

Trivia -The Titanic was the first ship to use the SOS signal. It was adopted as the international signal for distress in 1912, and the Titanic struck the iceberg in April of that year.

Note that:

1. There are provisions to **delete** a deduction, **Update** a deduction or add a **new** deduction to Existing Challan.
2. If any new deduction needs to be added **to a New Challan**, or Any existing deduction to be updated to a new challan, then it will be referred to C9 type of correction.
3. Any update in PAN of the deductee will appear in C5 type of correction.

Correction Type – C4

This is meant for “Corrections in **salary details**”.

This is applicable for correction of 4th Quarter statement of Form 24Q only.

Example:

Say, in a particular Salary detail, “Gross Salary” was mentioned wrongly. Now, updating the Gross Salary in that record will be generating a correction type of C4.

The Salary record can also be updated for other details too.

Note that:

1. There is no provision to update a salary record. So in this case, Software automatically, considers a **delete record and a new record** for the same details. [So it will result in 2 entries in correction for one update record.]
2. There are usual provisions to delete a record and also add a new record manually, wherever required.
3. Any update in PAN of the Employee will appear in C5 type of correction.

Correction Type – C5:

This is meant for “Updation of deductee PAN”.

Example:

Say, in a particular Salary detail, “PAN of the employee” was mentioned wrongly. Now, updating the PAN in that record will be generating a correction type of C5.

The PAN can also be updated in Deduction Details of Form 24Q, 26Q, 27Q and 27EQ.

Trivia -Chocolate was introduced into the United States in 1765 when cocoa beans were brought from the West Indies to Dorchester, Massachusetts.

Note that:

1. When a PAN is updated for Salary record, the same will be updated in respective employee's deduction records too. This will be automatically done by the software.
2. Updating PAN for a deductee is quarter wise. To update PAN for a deductee/Employee for all the quarters, separate correction should be prepared and filed for respective quarters.

Correction Type – C9:

This is meant for “Addition of a **New Challan** and related deductions, if any”.

Example:

Say, there is a new deduction, which was left out at the time of regular return. For this, a new deduction record can be added along with adding a new corresponding challan. Now, this will be generating a correction type of C9.

Note that:

1. When a Deduction is added referring to an existing challan, it will go to C3 type of correction.
2. When a deduction is added with tax amount ZERO, the software automatically generates a NIL challan and considers for C9 correction.

Correction Type – Y:

This is meant for “Cancellation of a Regular return” and is preferred during change in TAN in the deductor details.

Examples:

1. Say, there is a mistake in mentioning TAN while submitting the regular return. At this time, the TAN cannot be updated in any of the aforesaid types of correction. So earlier statements should be cancelled for that quarter and should be followed by fresh REGULAR return.
2. Say, TAN was mentioned correctly. But, a challan was mistakenly added/split, which needs to be DELETED while correction. At this scenario, challan cannot be deleted in any of aforesaid types of correction. So earlier statements should be cancelled for that quarter and should be followed by fresh REGULAR return.

Trivia -Hawaii is the only US state that grows cacao beans to produce chocolate

3. Say, there are lot of corrections to be made in the return and deductor has hassles to prepare a correction due to several reasons [may be his submitted file is missing, etc, etc]. At this case also deductor can do the cancellation [with due care] and then file a fresh REGULAR return.

Note that:

1. A subsequent regular return filed for the quarter, without preceded by a cancel statement will be rejected in the Central TIN level.
2. All cancel statements should be followed by a regular return. That means,
 - a. First the cancel statement should be submitted.
 - b. Then the PRN should be received for that.
 - c. Then finally the regular return can be filed.

General Notes on Correction Statement:

1. Any Correction Statement can have multiple types of correction, in a single file, within C1, C2, C3, C4, C5 and C9 types.
2. If the correction is with a Y type of correction, no other types of corrections are allowed to be filed in that.

Once a correction is filed as a Y type, “*all preceding corrections and a regular return*” corresponding to that quarter will be removed from the Central TIN Database. So that no future reference will be made to those entries

Trivia -The earliest cocoa plantations were established in 600 AD, in the Yucatan, by the Mayans.



L I G H T H O U S E

There is a slip between cup and life not only in TDS but in many aspects of life too. How many of us planned so many things, but many of us never got the opportunity to do it. Opportunities need to be made by us and they do not land up on our lap. Let us not have the slip – let each one of us do what we felt like doing in this life.

A student's diary

Reproduced from the Personal Diary of a school student, 10th March 1984 -X grade, B Section

Dear diary,

Today is an important day in my life - the final examination and also last few days of my school life. My mother woke me up early. I felt very nervous, uneasy, and was sweating. I prayed, and left for the exams. Should I study at all? I felt like a sacrificial goat.

As I entered the exam hall, the bell rattled me. I slowly regained my confidence as I started writing. After the exam, I told my mother that I did well.

This was the first day I faced a major exam in my life. I will remember this day all my life. When I recollect the incidents in the morning I cannot explain my nervousness or my state in the morning. Now I am more relaxed and prepared for tomorrow's exams. I did not enjoy my state. I now recollected the beautiful incidents of my school. I have been in this school for 12 years, and have enjoyed my school. I loved the games, sports, classes, the music class and the art classes. After this exam, I will not go back to school. I made a lot of friends, and had some fights too. These are the last days of this beautiful school life ...will I get these days back again ?

Good night diary

Student

Reproduced from Personal Diary of student

Dear diary,

Trivia -The botanical name of the chocolate plant is Theobroma cacao, which means "Food of the Gods."

This is the last day of my college life. As I write on my dear friend, I cherish the joyous moments, the stress of work, the practical's, the competitions and the friendship with the professors. There have been many lifetime memories in the college, but I today recount an incident fondly. This incident summarizes all the emotions of my college life.

I stayed on the campus; it had become my home now. My room mate had become a soul mate, the food tasted as if it was home, the hostel room my own room, and above all, the warm caring smile of our warden removed "*the home like*" feeling and gave the home feeling.

I had to meet my teammates in the coffee shop [in the campus], and the only time we could concur was 10.30 PM. The dimly lit blue light guided me through the deserted corridors. The row of bushes and planted pots, seemed to be saluting me, in a guard of honor, as I jostled past the innumerable closed doors to the eerie silence of the coffee shop. The barking stray dogs seemed to tell that someone was still at work, and I was welcomed by my teammates with a whisper, which sounded like a pounding noise. We were meeting as a team to participate in a simulation business case. We had to complete the assessment today night, and the results of the same would be announced next day morning. There were over 2100 teams participating in this business study across the globe, and there was a lot at stake.

The results of the business simulation case study were important for our team, and it was like an exam. We were in the final rounds, and we were amongst the top teams in the past rounds. There were a lot of expectations on our team, and we were waiting in baited breath. We worked till early morning, and the dimly lit blue lights guided me back to my room. The short nap of three hours, seemed eternal and some how I felt the sun had lost his timepiece.

Trivia -One plain milk chocolate candy bar has more protein than a banana

The morning was a strange reminiscence of my 10th Grade exams. I have always remembered the diary of my 10th grade exam. I dressed my best and put up a brave face amidst nervousness. I saw a few other participants who seemed to be pretending to be relaxed, but I could sense that my comrades were not their normal self. Hey! We need not be nervous like a 10th grade kid, I enjoyed the suspense. I recollected the day of the final exam, 25 year ago. *Strange, yes, it was 25 years ago.*

I enjoyed this nervousness, and I opened you and started penning my thoughts down. These nervous emotions were so lovely, that I did not want to miss it

Bye diary

Student

After 25 years!

Puzzling? something is wrong with the math. The last days in school were in 1984, and now back to school after 25 years. The handwriting and the language of the 10th standard boy had walked north. I am enjoying my stint back to school; I have joined a Management program in a B School in India with a project in Spain. I finished my formal education 17 years ago, and manage a flourishing accounting practice, good enough to remain content. But... Knowledge is a bottom less pit, and so I needed to sharpen my axe. Books were friends always, but becoming students again, is a different journey. Student at this juncture of my life is a nostalgic experience and my depth of understanding is much deeper. The knowledge I gain in this process gives profound joy and a new outlook to my profession too.

This time, school has students from different business houses, varied professions and different walks of life, who are back to school after 2 to 3 decades. It is important to take time from our grind in profession, and study once more. The new concepts, high tech classrooms, laptops, professors, multi linguistic and multi national student crowd, web cast coaching models, all are an exciting learning experience. The profession has advanced rapidly, that a gap of 17

years was like loss of half a century. It pays to sharpen our axe. It is a joy to be a student in a college again.

Even if one has missed his school days, he can still go back for the sheer joy of it. Try it out; you would enjoy the nervousness of the exams this time. Check out, can you become a back to school too.

"I need to attend my class" can replace "I have to catch up for a meeting", ONCE.

Trivia -In 1670, Dorothy Jones of Boston was granted a license to sell coffee, and so became the first American coffee trader.