

Mentorship Programme- Panel Discussion on TDS Compliance, Filing and Latest Issues



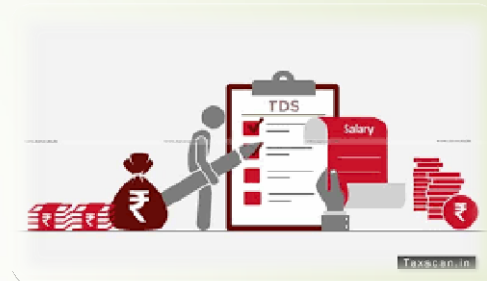
CA P ANIL

TDS Chapter XVII of the Income Tax 1961

- Deals with collection and recovery of tax where part B deals with deduction at source.
- Our discussion to aim at large understanding of provisions 192, 194I, 194 IA, 194 IB, 194 C, 194 J, 194 T, 194Q, 195
- Provisions under part BB being collection at source with recent amendments and case laws.



- But importance is given in this programme on
TDS compliance
Filing
Latest issues.



In the limited time available our panelists shall first make an analysis of the section, recent developments. Thereafter each panelists shall explain why the compliance is important for the *DEDUCTOR* as well as for the *DEDUCTEE*.

Let me make a room for the panelists.

- ✓ TDS Return is obligatory for the deductor.
- ✓ PAN, TAN of the Deductor to be obtained as well as PAN of the deductee.
- ✓ Another important obligation on the part of the deductor is to deposit the tax on time using correct challan ITNS 281
- ✓ The further obligation on the part of the deductor is Quarterly filing of TDS return and its validation.
- ✓ Very important to avoid errors in filing.
- ✓ Keep in mind that there is a penalty for non-filing, interest for short deduction non deduction etc.
- ✓ Also verifying 26 AS of the deductee (to ensure deduction is reflected there) is important.
- ✓ Revision of TDS could be done if needed



Let our discussion focussed on the above point and let me brief the audience on the panelists and their role.

CA. ALOSHY

On the following points

SI NO	SECTION	MY REMARK
1	194 IA (Transfer of certain immovable property)	Provision which we are dealing regularly.
2	26QB Filing and its correction process	Which is relevant for section 194 IA shall be dealt in by CA ALOSHY
3	194 I (Rent)	As we all know there is an amendment (01/04/2025), Which shall be dealt in by panelist.
4	194 IB (Rent)	Which is an extension of section 194I to be dealt by CA ALOSHY

CA. SHANAVAS

SL.NO	SECTION	MY REMARK
1	192 (Salary)	<ul style="list-style-type: none">• By number of returns at the time of filing ITR's, we experience problem here.• Our panelist CA SHANAVAS to deal on this.
2	194 Q (Deduction for payment of purchase of goods)	<ul style="list-style-type: none">• A problem which we experience at large in our offices.• The importance is that our auditee's having large turnover by having small N.P Ratio are attracted.• Educating our staff and accountants who are preparing books is important. CA SHANAVAS to deal.

CA.NISHA ELIZABETH SHAJAN

on section 195

SI NO	SECTION	MY REMARK
1	Section 195 (Payment to Non Residents)	<ul style="list-style-type: none">• An overview of the applicability of sec 195 and how it applies on transfer of immovable property and other scopes of the sections (rates of TDS to be explained).• Remittance to NRI's requires 15 CA / 15CB compliance.• Penalties and interest cost if no deduction made applicability of DTAA.
2	Form No. 13 under section 197	<ul style="list-style-type: none">• Non-Deduction or deduction at a lower rate• Application to be made to the Assessing Officer.• Brief particulars to be provided.

CA.HARIHARAN

SI NO	SECTION	MY REMARK
1.	TCS Provisions	<ul style="list-style-type: none">• Seller is responsible for TCS on sale of certain goods.• Varying rates, requirement for PAN and AADHAR compliance regarding payment, return application of penalty and interest.• Removal of sec 206 C (1H)
2.	Filing Procedures	<ul style="list-style-type: none">• Compliance as to options in TRACES Portal Form 24 Q,26 Q• Importance of data while filing forms methods for corrections.
3.	Section 194 C	<ul style="list-style-type: none">• TDS Provisions regarding payment to contractors
4.	Section 194 J	<ul style="list-style-type: none">• Payment to professionals.
5.	Section 194 T	<ul style="list-style-type: none">• Again an important issue for firms where salary, interest, bonus, commission all are covered if exceeds 20,000/- per annum.
6.	Section 206(IG)	<ul style="list-style-type: none">• Foreign remittance.

- To make our discussion fruitful, I invite larger participation from the audience. I'm sure there are participants attending this programme regularly doing TDS Compliance at our offices.
- You can highlight the type of mistakes which may occur and ways to rectify it. With this introductory remarks, let me move on to role of the panelists and what we can deliberate upon after their presentation.



Case Study regarding mismatch in filing TDS Return making payment.

A Sells a property to B. Based on some data provided by B their consultant makes a higher TDS Payment u/s 194IA.

This impacts our client A in the following way.

- Creates a mismatches between actual sales consideration and that reported to ITD.
- Triggers an enquiry or notice to A.
- While filing ITR mismatch with 26AS.

■ Remedy?

- B Can file a correction statement showing correct sale consideration and TDS (within 7 days through AO)
- A Should immediately contact to file correction statement on the TRACES and provide acknowledgement for corrections.
- While filing ITR report correct value and give explanation computation sheet
- Legal recourse grievances on that IT portal.

PRACTICAL SITUATION

- Higher amount
- Consideration reported was higher amount
- Buyer demanding refund of extra tax paid.

Case law

ITAT Mumbai Bench, INSPIRE FILIMS LTD Vs ITO (ITA No.1827/MUM/2024)

Issue:

A.O Disallowing and making and addition u/s 40 (a)(ia) on the ground that the purchase of fuel where TDS was made on the payments made as higher charges of the generator and on its attendant.

Held :

Provisions of sec .194 C cannot be applied for the charges paid for fuel as the payment is not in nature envisaged u/s 194 C. Particularly the same is not for the work as defined in explanation to section.



Thanks !!!