

# CORPORATE UPDATE

FOR CLIENT CIRCULATION ONLY

No. 04/01

10<sup>th</sup> February, 2004

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## INCOME TAX

### I. Amendment in rules relating to valuation of benefit from interest free or concessional loan granted to employee

The Central Board of Direct Taxes (CBDT) has amended sub rule (7) of Rule 3 of the Income Tax Rules, 1962 w.e.f. 01.04.2004.

As per the amendment, the value of benefit to the assessee resulting from the provision of interest free or concessional loan will be calculated at a sum equal to the interest computed at the rate charged per annum by the State Bank of India as on the 1<sup>st</sup> day of the relevant previous year in respect of loans for the same purpose advanced by it.

Earlier the value of benefit was calculated @10% p.a. in respect of loans for house and conveyance and @ 13% p.a. for other loans.

*[Notification no. 8/2004 dated 12.01.2004]*

### II. Modification in Form 16

Item no. 13 to 17 of Form 16, Certificate for tax deducted at source from income chargeable under the head "Salaries", have been modified. The new form, with modification is attached for information.

*[Notification no. 9/2004 dated 12.01.2004]*

### III. Option of filing return of income in form 16AA to individual assesses.

A. CBDT has vide notification dated 12.01.2004 amended Rule 12, and Appendix II to the Income Tax Rules, 1962 to provide an option to an individual, resident in India to file his return of income in Form 16AA provided:

- a) his total income includes income chargeable to income tax under the head 'salaries';
- b) the income from salaries before allowing deductions under section 16 of the Income Tax Act, 1961 does not exceed Rs. 150,000/-;

<p>c) his total income does not include income chargeable to income tax under the head 'Profits &amp; gains of business or profession' or 'capital gains' or agricultural income; and</p> <p>d) he is not in receipt of any other income from which tax has been deducted at source by any person other than the employer.</p> <p>Specimen of form 16AA is attached for information</p> <p>B. Rule 31 of the Income Tax Rules, 1962 has been accordingly amended to provide that in the case of an individual, resident in India, where his income from salaries before allowing deductions under section 16 of the Income Tax Act, 1961 does not exceed Rs. 150,000, the certificate of deduction of tax at source shall be in Form 16AA.</p> <p>C. Assessee who is eligible to file his return of income in Form 16AA may also file the return through employer. The scheme for filing of returns through employer is given under heading V below.</p> <p><i>[Notification no. 12/2004 dated 12.01.2004]</i></p> <p><b>IV. <u>Scheme for Filing of Returns by Salaried Employees through Employer, 2004</u></b></p> <p>CBDT has vide notification no. 13/2004</p>	<p>dated 12.01.2004 announced scheme for filing of returns by salaried employees through their employers. The said notification is reproduced below:</p> <p><b>[TO BE PUBLISHED IN PART II, SECTION 3, SUB-SECTION (ii) OF THE GAZETTE OF INDIA (EXTRAORDINARY)]</b>  <b>GOVERNMENT OF INDIA</b>  <b>MINISTRY OF FINANCE</b></p> <p><b>DEPARTMENT OF REVENUE</b>  <b>(CENTRAL BOARD OF DIRECT TAXES)</b></p> <p><b>New Delhi, the 12th January, 2004</b></p> <p><b>NOTIFICATION</b>  <b>(INCOME-TAX)</b></p> <p>S. O. No. 51(E).- In exercise of the powers conferred by subsection (1A) of section 139 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby frames the following Scheme, namely:</p> <p><b>1. Short title, commencement and application.-</b></p> <p>(1) This Scheme may be called the Scheme for Filing of Returns by Salaried Employees through Employer, 2004.</p> <p>(2) It shall come into force from the 1st day of April, 2004.</p> <p>(3) It shall be applicable to all eligible employees.</p> <p><b>2. Definitions.-</b> In this Scheme, unless the context otherwise requires,--</p> <p>(a) "Act" means the Income-tax Act, 1961 (43 of 1961);</p> <p>(b) "Eligible Employee" means an individual, resident in India, where-</p>
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<p>(i) his total income includes income chargeable to income tax under the head 'Salaries';</p> <p>(ii) the income from salaries before allowing deduction under section 16 of the Income-tax Act, 1961, does not exceed rupees one lakh fifty thousand;</p> <p>(iii) his total income does not include income chargeable to income-tax under the head 'Profits and gains of business or profession' or 'Capital gains' or, agricultural income; and in (iv) he is not in receipt of any other income from which tax has been deducted at source during the previous year by any person other than the employer.</p> <p>(c) "Form" means a form prescribed under the Income-tax Rules, 1962.</p> <p>(d) all other words and expressions used herein but not defined and defined in the Act shall have the meaning respectively assigned to them in the Act.</p> <p><b>3. Types of returns to be received.-</b></p> <p>Following types of returns shall not be furnished under this Scheme-</p> <p>(i) Return of income for any assessment year other than the assessment year for which he is required to furnish the return of income under sub-section (1) of section 139 during the current financial year;</p> <p>(ii) Return of income where no PAN or incorrect PAN of the employee has been quoted;</p> <p>(iii) Return of income under section 153A of the Income-tax Act;</p> <p>(iv) Return of an employee having more than one employer during the previous year for which the return is being furnished; and</p>	<p>(v) Return of employee who is not in receipt of his salary from the employer as on the last day of the previous year, for which the return is being furnished.</p> <p><b>4. Returns how to be furnished.-</b></p> <p>The Scheme is optional and provides an additional mode of furnishing returns of income by persons deriving income from salaries. On his option, an eligible employee may furnish his return through his employer under the Scheme, as per the following procedure:-</p> <p>(i) On receipt of the certificate of tax deducted at source from the income chargeable under the head 'salaries' in Form No. 16AA from the employer, the eligible employee shall verify the information given in the said Form as correct, complete and true in accordance with the provisions of Income Tax Act, 1961 in respect of his income chargeable to income-tax for the relevant assessment year and furnish the same after being signed and verified by him to the employer before the due date specified in sub-section (1) of section 139 of the Income Tax Act, 1961.</p> <p>(ii) On receipt of duly signed and verified Form No. 16AA from an 'eligible employee', the employer shall furnish the return of income of the eligible employee in Form No. 16AA to the Assessing Officer and obtain an acknowledgement.</p> <p>(iii) The employer shall ensure that the return of income is furnished to the Assessing Officer on or before the due date specified in sub-section (1) of section 139 of the Income Tax Act, 1961.</p> <p>(iv) The employer shall distribute acknowledgements obtained from the Assessing Officer to the respective eligible employees.</p>
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**5. Date of furnishing of return.-**

For an eligible employee who opts to furnish the return of income through his employer under this Scheme, the date on which the employer has furnished the return of income of the eligible employee to the Assessing Officer shall be treated as the date of furnishing of return of income by the eligible employee and the relevant provisions of the Income-tax Act, 1961, for furnishing of income shall apply as if the return has been filed by the employee.

[Notification No. 13/2004 /F. No.142/03/2004-TPL]

**Chandrajit Singh,  
Under Secretary to the Government of India.**

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**V. Guidelines for approval under section 10(23G) amended**

The CBDT, vide Notification no. 14/2004 dated 12.01.2001 substituted Rule 2E containing Guidelines for approval under section 10(23G) with new rule. Earlier the approval of the Central Govt. was being granted for 3 years. With the amendment, this time limit has been removed.

**VI. One by Six Scheme for filing of returns not applicable to pensioners**

As per the first proviso to section 139(1) of the Income Tax Act, 1961 an individual who is not required to file his return of income under section 139 (1) is still required compulsarily to

file his return on satisfaction of any of the six conditions listed therein. The CBDT has now clarified that the first proviso to section 139 (1) will not apply to the class of persons being individuals who have income from pension but are not engaged in any business or profession during the previous year.

**VII. Taxation of Business Process Outsourcing Units in India**

The CBDT has issued Circular No. 1/2004 dated 02.01.2004 containing clarification on the taxability of Business Process Outsourcing Units in India. The Circular is reproduced below for information:

**Circular No.1/2004**

***F.No.500/67/2003-FTD***

**Ministry of Finance  
Department of Revenue  
Central Board of Direct Taxes**

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New Delhi dated the January 2, 2004

To

All Chief Commissioners/Directors General of Income-tax

Subject: Taxation of Business Process Outsourcing Units in India.

<p>1. A non resident or a foreign company is treated as having a permanent establishment or business connection in India under Article 5 the of Double Taxation Avoidance Agreements or under Section 9 of the Income-tax Act, 1961, if the said non-resident or foreign company carries on business in India through a branch, sales office etc., or through an agent (other than an independent agent) who habitually exercises an authority to conclude contracts, or regularly delivers goods or merchandise, or habitually secures orders in India, on behalf of the non-resident principal. In such a case, the profits of the non-resident or foreign company attributable to the business activities carried out in India becomes taxable under the Income-tax Act, 1961.</p> <p>2. During the last decade or so India has seen a steady growth of outsourcing of business processes by non-residents or foreign companies to IT-enabled entities in India. Such entities are either branches or associated concerns of the foreign enterprise or an independent Indian enterprise. Their activities range from mere procurement of orders for sale of goods or provision of services and answering sales related queries, to the provision itself of services like software maintenance service, debt collection service, software development service, credit card/ mobile telephone related service etc. In some cases the entire or major portion of the revenue generating activities of the non-resident enterprise is performed by the BPO (Business Process Outsourcing) unit in India. The extent to which global profits of a non-resident enterprise is to be attributed to the activities of the BPO unit in India in these various circumstances, has been under consideration in the Board.</p> <p>3. The manner and extent of such attribution of profits will evidently depend on the facts of each case and the nature of services rendered by the BPO unit, and the same has to be determined in accordance with</p>	<p>the provisions of the treaty applicable and the domestic law. The Board is, however, of the view that in a case where a non-resident, carrying on manufacture and sale of goods or merchandise or provision of services outside India, outsources some of its incidental activities viz. conclusion of contracts and procurement of orders (which enable the core activities to be carried on abroad) to an IT-enabled entity in India, which constitutes a permanent establishment of the non-resident principal, then the insignificant profit which is difficult to determine and attributable to the conclusion of such contracts or procurement of such orders can be considered to be embedded in the income of the permanent establishment taxable in India, if the price charged in respect of the above services by the permanent establishment is an arm's length/ fair market price. In such a situation, therefore, no income shall separately accrue or arise or be deemed to accrue or arise to the non-resident principal in India.</p> <p>4. An example of such services by an IT enabled entity in India could be a case where a foreign company manufacturing computers abroad and also selling such computers to customers abroad, engages or sets up a call centre in India to procure orders from or conclude contracts with customers abroad and also to answer sales related queries on telephone. In such a case, no income shall accrue or arise or be deemed to accrue or arise to the non-resident in India, apart from the income of the call centre. Similarly, where a foreign insurance company insuring risks in countries other than India appoints or sets up a call centre in India to attend to calls from customers outside India regarding acquisition of new insurance policy or revision of existing policy, to disseminate relevant information and accept insurance proposals from the customers, while actual policy issuance</p>
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as well as collection of premium is done during the last decade or so India has seen a steady growth of outsourcing of business processes by non-residents or foreign companies to IT-enabled entities in India. Such entities are either branches or associated concerns of the foreign enterprise or an independent Indian relevant information and accept the request for issue of a credit card from the customer, while the actual card issuance, the delivery of the card and collection of charges are being done outside India by the foreign credit card company, and the charges paid to the Indian call centre for its services are at arm's length/fair market price.

5. On the other hand, where a non resident or a foreign company outsources the whole or part of its core revenue generating business activities to an IT-enabled entity in India, such as the services of a travel agent, software developer, software maintenance, investment consultant, debt collection service etc. and the IT-enabled entity in India renders the services either directly to the customers abroad or through the non-resident principal, a considerable portion of the profits derived by the non-resident or the foreign company from its customers abroad would certainly be attributable to the activities performed by the IT enabled entity in India .If such entity constitutes a permanent establishment of the non-resident or foreign company in India, such attributed profits would be taxable under the Income-tax Act, 1961 in accordance with the provisions of the relevant tax treaty.

6. The contents of this circular may be brought to the notice of all officers in your region.

**Yours faithfully,  
(Sandeep Goel)  
Officer on Special Duty(FT&TR)-I  
Central Board of Direct Taxes**

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**VIII. Extension of Date for Filing of e-TDS Returns**

Finance Act, 2003 had made it compulsory for corporate deductors to file their TDS returns for financial year 2002-03 on computer media. NSDL has been appointed e-TDS Intermediary under the scheme for electronic filing of TDS returns. It has setup TIN Facilitation Centers at 42 stations all over the country. The deductors can file electronic TDS returns at any of these centers. Details of the scheme for filing e-TDS returns including Deductors manual issued by NSDL can be obtained from the website of the Income Tax by Department, namely, [www.incometxindia.gov.in](http://www.incometxindia.gov.in) and also from <http://tin.nsd.com> Last date for filing e-TDS returns has been extended to 31<sup>st</sup> March, 2004.

Frequently asked questions (FAQ) issued by the department are printed on page no. 10.

**INDIRECT TAX**

Various changes have been announced by the Ministry of Finance in Indirect Taxes. Gist of some major changes as contained in the Ministry's Press release dated 08.01.2004 is as

below. These changes will be taken effect from 09.01.2004.

**Custom Duty**

1. Peak rate of customs duty on non-agricultural goods being reduced from 25% to 20%
2. Special additional duty of customs (SAD) of 4% abolished
3. Customs duty on project imports with investment of at least Rs. 5 crores, in plant and machinery, reduced from 25% to 10%
4. Customs duty on coal reduced from 25% to 15%
5. Customs duty on nickel and articles thereof reduced from 10% to 5%
6. Customs duty on power transmission and distribution projects reduced from 25% to 10%
7. Customs duty on electricity meters reduced from 25% to 15%
8. Customs duty on specified capital goods used for manufacture of electron goods reduced from 15%/10% to NIL.
9. Specified infrastructure equipment for basic/cellular/internet, V-SAT, radio paging and public mobile radio trunked services and parts of such equipments exempted from basic customs duty.
10. Customs duty on cellphones reduced from 10% to 5%
11. Total exemption from customs duty available to water supply projects for drinking purposes extended to water supply projects for industrial as well as agricultural purposes.

12. Baggage rules have been liberalised. One Laptop brought as part of baggage are being exempted from customs duty

**Excise Duty**

1. Excise duty on computers reduced from 16% to 8%.
2. Recorded video compact discs (VCDs) and digital video discs (DVDs) exempted from excise duty.
3. Excise duty on Aviation Turbine Fuel (ATF) reduced from 16% to 8%.
4. Total exemption from excise duty available to water supply projects for drinking water extended to water supply projects for industrial as well as agricultural purposes.
5. Manufacturers will now be allowed to remove semi finished goods and finished goods for further processing or testing, without payment of excise duty.

**Other Taxes**

1. Inland Air Travel Tax (IATT) of 15% abolished.
2. Foreign Travel Tax (FTT) of Rs. 500 per passenger abolished.

**SERVICE TAX**

**Levy of Service Tax under category of Clearing & Forwarding Agents in respect of Food grain agents**

**CIRCULAR NO. 73/332004 – SERVICE TAX,  
DATED 5-1-2004**

1. I am directed to say that under section 65 of Finance Act, 1944 and as brought out by Board's letter No. F.B.43/7/97-TRU dated 11-7-1997 there must exist a relationship of principle and an agent for bringing grain agent in the ambit of C&F agent of the farmer and in CBEC Circular No. 48/10/2002-ST dated 13-09-2002, it has been clarified that Adhatiyas (Food grain agents) activity do not fall under the scope of Clearing and Forwarding Agents services and hence would not be reliable for Service Tax under this category. The circular issued is a general circular and is to with reference to any state or class of Adhatiyas. Even though a bunch of representations received from various trade associations in Maharashtra specifically have misinterpreted the circular to apply only to the State of Rajasthan. In fact reference to Rajasthan and section 75 of the Rajasthan Agricultural Marketing Products Act, 1954 is only to explain the situation.
2. Incidentally the activity of grain agent is cover under the 'Commission Agent' falling under the purview of 'Business Auxiliary Services', which as come into force from 1<sup>st</sup> July, 2003. Commission Agents as per the definition are covered under the Notification No. 13/2003-ST dated 20<sup>th</sup> Jun, 2003 and are exempt from Service Tax.
3. Suitable trade notice may be issued for the benefit of the trade.

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**FOREIGN DIRECT  
INVESTMENT (FDI)**

**Residual Activities under Foreign Direct  
Investment (FDI)**

Reserve Bank of India (RBI) has clarified that Automatic route for FDI upto 100% would continue to be available for residual activities as was available previous to the issue of Notification no.FEMA 94/2003-RB dated June, 18, 2003.

Copy of RBI's circular no. 67 date 6<sup>th</sup> February, 2004 is reproduced below for information.

**COPY OF RBI CIRCULAR  
AP (DIR Series) Circular No. 67  
Dated 6<sup>th</sup> February, 2004**

**Clarification regarding Automatic Route for  
Residual Activities under Foreign Direct  
Investment (FDI)**

1. Attention of Authorised Delars is invited to A.P. (DIR Series) Circular No. 38 dated December 3, 2003 forwarding therewith the Summary of Regulatory Provisions covering Foreign Investments in India and the Notification No. FEMA 94/2003-RB dated June 18, 2003.
2. It may be observed that in the amended Notification No. FEMA 94/2003-RB dated June 18, 2003 there is no mention in the Annexure B about the investment in respect of residual activities viz. "Any other Sector/Activity (other than included in Annexure A)" previously classified under item No. 9 of Annexure B to Schedule I of FEMA 20/2000-RB dated May 3, 2000. Government have since clarified that Automatic Route for FDI upto 100 percent would continue to be available for residual activities as was previously available.
3. The necessary amendments to the Foreign Exchange Management Act (Transfer or issue of security by a Person Resident outside India) Regulations, 2000 are being issued separately.
4. Authorised Dealers may bring the contents of this circular to the notice of their constituents concerned.

5. The directions contained in this circular have been issued under Sections 104(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999).

**Sd/-  
(Grace Koshie)  
Chief General Manager**

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**POINTS TO  
REMEMBER**

1. The next installment of advance tax for the financial year 2003-04 is due to be deposited on or before 15<sup>th</sup> March, 2004.
2. The last date of filing of TDS returns on computer media u/s 206(2) of the Income Tax Act is 31<sup>st</sup> March, 2004.

**Scheme for electronic furnishing of TDS returns**

**Frequently Asked Questions and Answers**

**1. What is e-TDS Return?**

Ans. e-TDS return is a TDS return prepared in form No.24,26 or 27 in electronic media as per prescribed data structure in either on a floppy or on a CD ROM. The floppy or CD ROM prepared should be accompanied by a signed verification in form No.27A.

**2. Who is required to file e-TDS return?**

Ans. As per Section 206 of Income Tax Act all corporate tax deductors are compulsorily required to file their TDS return on electronic media (i.e. e-TDS returns). However, for other tax Deductors filing of e-TDS return is optional.

**3. Under what provision the e-TDS return should be filed?**

Ans. An e-TDS return should be filed under Section 206 of the Income Tax Act and as per the scheme dated 26.8.03 for electronic filing of TDS return notified by the CBDT for this purpose. CBDT Circular No.8 dated 19.9.03 may also be referred.

**4. Who is the e-Filing Administrator?**

Ans. The CBDT has appointed the Director General of Income-tax(Systems) as e-Filing Administrator for the purpose of the Scheme.

**5. Who is an e-TDS Intermediary?**

Ans. CBDT has appointed National Securities Depository Ltd., Mumbai as e-TDS Intermediary.

**6. How will the e-TDS returns be prepared?**

Ans. e-TDS return has to be prepared in the data format issued by e-Filing Administrator, which is available on the websites of Income-tax Department at i.e. [www.incometaxindia.gov.in](http://www.incometaxindia.gov.in) and of NSDL at <http://tin.nsd.com>. There is a small validation software available along with the data structure and validate the data structure of the e-TDS return prepared. The e TDS return should have following features:

- i) Each e-TDS return file (Form 24, 26 or 27) should be in a separate CD/floppy.

- ii) Each e-TDS return file is accompanied by a duly filled and signed (by an authorized signatory) Form 27A in physical form.
- iii) Each e-TDS return file should be in one CD/floppy. It should not span across multiple floppies.
- iv) In case the size of an e-TDS return file exceeds the capacity of one floppy, it should be furnished on a CD. In case the e-TDS return file is in a compressed form at, it should be compressed using Winzip 8.1 or Zip. It Fast 3.0 compression utility only to ensure quick and smooth acceptance of the file.
- v) Label should be affixed on each CD/floppy mentioning name of the deductor, his TAN, Form no. (24, 26 or 27) and period to which the return pertains.
- vi) There should be not any overwriting / striking on Form 27A. If there is any, then the same should be ratified by an authorised signatory.
- vii) No bank challan, copy of TDS certificate is to be furnished alongwith e-TDS return file. In case of Form 26 and 27, deductor need not furnish physical copies of certificates of no deduction or lower deduction of TDS received from deductees. In case of Form 24 deductor should furnish physical copies of certificates of 'no deduction or deduction of TDS at lower rate', if any, received from deductees.
- viii) e-TDS return file should contains TAN of the deductor. In case correct TAN is not mentioned – The deductor will have to file TAN application from (Form 49B) along with the e-TDS return (with necessary application charges)
- ix) CD/floppy is virus free.

**7. Can more than one e TDS return of the same Deductor be prepared in one CD/floppy?**

Ans. No separate CD/floppy should be used for each return.

**8. Where can the e-TDS return be filed?**

Ans. e-TDS returns can be filed at any of the TIN-FC at the 42 stations opened by the e-TDS Intermediary for this purpose. Addresses of these 42 stations are available at the website.

**9. What are the basic details that should be included in the of e-TDS return?**

Ans. Following information must be included in the e-TDS return for successful acceptance. If any of these essential details is missing, the returns will not be accepted at the TIN –

**Facilitation Centres –**

- (i) Correct Tax deduction Account Number (TAN) of the Deductor is clearly mentioned in Form No.27A as also in the e-TDS return, as required by subsection (2) of section 203A of the Income-tax Act.
- (ii) The particulars relating to deposit of tax deducted at source in the bank are correctly and properly filled in the table at item No.6 of Form No.24 or item No.5 of Form No.26 or item No.5 of Form No.27, as the case may be.
- (iii) The data structure of the e-TDS return is as per the structure prescribed by the e- Filing Administrator.
- (iv) The Control Chart in Form 27A is duly filled in all columns and verified and as enclosed in paper form with the e-TDS return on computer media.
- (v) The Control totals of the amount paid and the tax deducted at source as mentioned at item No.3 of Form No.27A tally with the corresponding totals in the e-TDS return in Form No. 24 or Form No. 26 or Form No.27, as the case may be.

**10. What happens if any of the control total mentioned in Form 27A not match with that in the e TDS return.**

Ans. In such a case the e-TDS return will not be accepted at the TIN Facilitation Centre.

**11. What happens in a situation where a deductor does not have TAN or has a TAN in old format?**

Ans. The deductor will have to file an application in Form 49B at the TIN Facilitation Centre along with application fee(Rs 50/-) for TAN along with the e TDS Return.

**12. Whether any charges are to be paid to the e-TDS Intermediary?**

Ans. The assessee is to pay following charges as upload charges at the time of filing of e- TDS return to M/s NSDL.

<b>Category of e-TDS return</b>	<b>Upload Charges</b>
Returns having up to 100 deductees records	Rs. 25/-
Returns having 101 to 1000 deductees records	Rs. 150/-
Returns having more than 1000 deductees records	Rs. 500/-

**13. What is TAN?**

Ans. TAN is Tax Deduction Account Number required to be obtained by all Deductors under Section 203 A of Income-tax Act. It is a 10 digit alpha numeric number issued by the Assessing Officer of the Income-tax Department. It is compulsory to quote TAN in TDS return (including any e-TDS return) or any TDS Payment challan.

**14. Who must apply for TAN?**

Ans. All those persons who are required to deduct tax at source on behalf of income-tax department are required to apply for and obtain TAN.

**15. Where to apply for TAN?**

Ans. The application in Form 49B can be filed at any of TIN Facilitation Centre meant for receipt of e-TDS returns.

**16. How to find address of the office where e-TDS return can be filed?**

Ans. Addresses of the TIN FC are available on [www.incometaxindia.gov.in](http://www.incometaxindia.gov.in) or at <http://tin.nsd.com>.

**17. Fee for filing application for TAN (form 49B)?**

Ans. The applicants for TAN is to pay Rs.50/- as processing fee at the TIN FC at the time of submitting form 49B.

**18. Can an application for TAN be made on a plain paper?**

Ans. TAN Application can be made only on Form 49B that may be obtained from TIN Facilitation Centre.

**19. Is it necessary to apply for different TAN, if a deductor has to make deductions from different types of sources like deduction from salary, interest, dividend etc.?**

Ans. No, TAN once allotted can be used for all type of deductions, however at the time of filling form 49B type of deduction the deductor is required to make should be ticked.

**20. Can form 49B be filled on a typewriter?**

Ans. Yes. But typing should be in capital letters with good impression.

**21. What if incomplete form 49B is submitted?**

Ans. The TIN Facilitation Centre will assist the applicant to correctly fill up form 49B but shall not receive incomplete or deficient application.

**22. Will the existing TAN issued by the Department remain valid?**

Ans. Yes, all existing reformatted TAN which are 10 digit alpha-numeric numbers remain valid. However, TAN issued in old format requires to be reformatted. For this also Form 49B is to be filed , along with the application fee, at the TIN FC.

**23. How will the new TAN number be intimated to the deductor?**

Ans. NSDL will ensure intimation of new TAN at the address indicated in the Form 49B against acknowledgement.

**24. How can a deductor know his TAN if he has an old TAN, or if he has earlier applied for TAN but has n't got TAN?**

Ans. TIN Facilitation Centres will help the deductors in ascertaining their correct TAN from the database. It can also be verified from the information put on the website of Income-tax Department at [www.incometaxindia.gov.in](http://www.incometaxindia.gov.in). There is a search engine to find new TAN against old TAN or to find New Tan against name and address of the deductor.

**25. Can an e-TDS return not be accepted at the TIN Facilitation Centre?**

Ans. If an e-TDS return suffers from any of the following defects the deductor will be informed and requested to remove the same before the e TDS return can be accepted at the TIN Facilitation Centre.

i) each e-TDS return file (Form 24, 26 or 27) is not furnished in a separate CD/floppy, or is not accompanied with a duly filled and signed Form 27A in physical form.

ii) separate Form 27A is not furnished for each e-TDS return,

- iii) any striking and overwriting, on the Form 27A are not duly ratified by the person who has signed Form 27A.
- iv) more than one e-TDS return is furnished in one CD/floppy,
- v) more than one CD/floppy is used for furnishing one e-TDS return,
- vi) deductor has not mentioned its name, Form no., or the period to which the TDS return pertains on the CD/floppy for identification purpose,
- vii) e-TDS return file is compressed using any compression utility other than winzip 8.1 or ZipItFast 3.0 compression utility.
- viii) e-TDS return file is not in conformity with the file format
- ix) TAN mentioned in e-TDS return file is not correct or is not valid. In such a situation Form 49B can be furnished alongwith the e-TDS return..
- x) TAN or name of deductor on the e-TDS return do not match with those mentioned in Form 27A.
- xi) There is a Mismatch between control totals on the e-TDS return and the Form 27A.

**26. TIN Support Desk**

NSDL has set up a dedicated Support Desk to assist deductors and TIN-FCs. You may

**Contact us at:**

**National Securities Depository Limited  
Trade World, 'A' Wing, 4<sup>th</sup> floor  
Kamala Mills Compound  
Senapati Bapat Marg  
Lower Parel  
Mumbai – 400 013**

**Phone:** 022-2495 0665 (hunting)

**Fax:** 022- 2495 0664

**Working hours:**

**8.00 A.M. to 8.00 P.M. – Monday to Friday**

**9.00 A.M. to 6.00 P.M. – Saturday**

For any queries you may also e-mail to [tininfo@nsdl.co.in](mailto:tininfo@nsdl.co.in).

**27. CHECKLIIST FOR DEDUCTOR**

After preparing the e-TDS return file deductor will check following to ensure that the e-TDS return file is complete in all aspects and is ready for furnishing to TIN-FC:

- ?? e-TDS return file is in conformity with the file format notified by ITD.
- ?? Each e-TDS return file (Form 24, 26 or 27) is furnished in a separate CD/floppy alongwith duly filled and signed Form 27A in physical form.
- ?? Separate Form 27A in physical form is furnished for each e-TDS return.
- ?? Form 27A is duly filled and signed by an authorised signatory.
- ?? Striking and overwriting, if any, on Form 27A are ratified by the person who has signed Form 27A.
- ?? More than one e-TDS return is not furnished in one CD/floppy.
- ?? More than one CD/floppy is not used for furnishing one e-TDS return.
- ?? Label is affixed on CD/floppy containing details of deductor like name of deductor, TAN, Form no. and period to which return pertains.
- ?? e-TDS return file if compressed, is compressed using Winzip 8.1 or ZipItFast 3.0 compression utility only.
- ?? New TAN quoted in e-TDS return file and mentioned on Form 27A is same.  
Confirm new TAN by using search facility on ITD website ([www.incometaxindia.gov.in](http://www.incometaxindia.gov.in)).
- ? Carry copy of TAN allotment letter from ITD or screenprint from ITD website as proof of TAN to avoid rejection of e-TDS return due to minor variation in way of transcribing the new TAN in e-TDS return.
- ?? Control totals, TAN and name mentioned in e-TDS return file match with those mentioned on Form 27A.
- ?? In case of Form 24, copies of certificates of no deduction of TDS and deduction of
- ?? TDS at concessional rate, received from deductees are attached.
- ?? e-TDS return file has been successfully run through the Validation Software provided at the site [www.incometaxindia.gov.in](http://www.incometaxindia.gov.in)). or <http://tin.nsd.com>