

PROCEDURE FOR ISSUANCE OF TDS CERTIFICATES¹

The CBDT issued [Circular No. 03/2011 dated 13th May 2011](#) wherein the following issues are addressed:-

- mismatch between TDS claimed in the return of income and the TDS credit granted by the department and;
- procedure to ease authentication of the TDS Certificate by means of a digital signature.

Hence, the circular has introduced a new procedure for issue of TDS Certificate in [Form No. 16A \(other than Salary\)](#).

[Section 203](#) of the Income-tax Act 1961 (“the Act”) read with the [Rule 31](#) of the Income-tax Rules 1962 (“the Rules”) provides for furnishing of certificate of Tax Deduction at Source (TDS) by the deductor to the deductee.

I. Current Position (Existing Provisions)

1. Periodicity and Authentication

Particulars	TDS on Salary	TDS on other Payments
<i>Certificate Issued</i>	<i>Form 16</i>	<i>Form 16A</i>
Periodicity of Issue of Certificate	Annually	Quarterly
Authentication of Certificate	Digitally/Manually	Manually
<i>e-TDS Statement filed</i>	<i>Form No. 24Q</i>	<i>Form No.26Q</i>
Periodicity of e-TDS Statement	Quarterly	Quarterly

Issues:-

Manual signing of TDS Certificate Form No. 16A is a cumbersome process especially for deductors who are required to issue a large number of TDS certificates.

2. Form No. 16A vis-à-vis Form No. 26AS

At present, the Department has enabled the online viewing of Form No.26AS which reflects the data from e-TDS statement filed by the deductor. Form 16A issued by deductor is independent of e-TDS Statement filed. Ideally, the figures reflected in Form No. 26AS and in Form 16A issued by the deductor should be the same.

Issues:-

Discrepancies in Form No. 26AS and Form No. 16A, on account of wrong data entry by the deductor or non-filing of e-TDS statement by the deductor.

II. New Provisions

1. CBDT has taken the initiative of eliminating the possibility of any mismatch in Form 16A and Form 26AS. Subsequent to issue of circular, Tax Information Network website (TIN Website) will enable a deductor to **download TDS certificate in Form No.16A from the TIN Website** (<http://www.tin-nsdl.com>) with a **unique TDS Certificate Number** based on the figures reported in e-TDS ("TDS Return in Form No. 26Q") statement filed.

Further the downloaded Form No. 16A can be authenticated either digitally or manually.

Advantages:-

- Consistency in the format of Form 16A will be ensured.
- Filing of e-TDS return in Form No. 26Q by the deductor will suffice the requirement to prepare TDS certificates (Form 16A) separately, which will save lot of time and efforts of the deductor.
- Digital signing of Form No. 16A (only downloaded forms) is a big relief for the deductors.

2. Applicability of New Provisions

Deductor	Mode of Issue of TDS Certificate Form No. 16A On Sums <i>Deducted</i>	
	On or After 1/4/2011	During Financial Year 2010-11
Company (Including; <ul style="list-style-type: none"> • banking company to which the Banking Regulation Act,1949 applies • any bank or banking institution, referred to in section 51 of that Act • a co-operative society engaged in carrying the business of banking) 	Mandatory to issue TDS certificate in Form No.16A generated and downloaded from TIN website with a unique TDS certificate number	Option to issue Form No. 16A generated from TIN Website
Person other than those referred above	Option to issue Form No. 16A generated from TIN Website	

III. Summary



Note: There is no change proposed in the Circular for the procedure for issue of TDS Certificate in Form No. 16 for payment of Salary.

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¹ Source: Circular No. 03/2011, Ministry of Finance, Department of Revenue, Central Board of Direct Taxes