



TDS

Centralized Processing Cell

Centralized Processing Cell (TDS)

Aayakar Bhawan, Sector-3,
Vaishali, Ghazalabad-201010

F.No. CIT/CPC-TDS/2015-16/

Date: 02.03.2016

To,

All the Pr. Chief Commissioners/Commissioners of Income Tax

All the Commissioners of Income Tax (TDS)

Respected Madam/Sir,

Sub: Enablement of 26QB correction facility and role of TDS officers --reg.

With kind reference to the above, I am directed to inform you that the functionality for correction of Form 26QB has been made available online from 29th of Feb 2016 to the deductors/buyers. Hence, the buyer, whose PAN exists in Form 26QB, can log in to www.tdscpc.gov.in and make the correction request for the following fields.

S. No.	Field which can be changed	With Digital Signature	Without Digital Signature
1	Buyer's PAN (When buyer's PAN AAAPA1111A is to be changed to PAN BBBPB1111B)	Once request is raised by Buyer <u>with digital signature</u> (AAAPA1111A), the same will be pushed to the Seller and the new Buyer (BBBPB1111B). As soon as both of them approve the PAN will be updated.	Once request is raised by Buyer <u>without digital signature</u> (AAAPA1111A) the same will be pushed to Seller and the new Buyer (BBBPB1111B) for approval. As soon as both of them approve the correction, by logging into TRACES, the ticket will be sent to TDS AO for physical verification of the facts and the genuineness of the buyer. TDS AO, if satisfied, can then approve the same from his inbox. <i>Please note whenever PAN of buyer is updated, the same may impact Major Head and category of PAN. This will be</i>

			<i>taken care of by the system itself before the request is raised.</i>
2	Seller's PAN (When Seller's PAN is to be updated from CCCPC1111C to DDDPD1111D)	Once request is raised by Buyer with digital signature the same will be pushed to the existing Seller (CCCPC1111C) for approval. As soon as he/she approves the same, the PAN will be updated.	Once request is raised by Buyer without digital signature, the same will be pushed to the existing Seller (CCCPC1111C) for approval. As soon as he/she approves the same, the request will be sent to TDS AO for physical verification of the facts and the genuineness of the buyer and the seller. TDS AO, if satisfied, can then approve the same from his inbox. <i>Please note whenever PAN of seller is updated, the same may impact category of PAN. This will be taken care of by the system itself before the request is raised.</i>
3	Buyer's Address	Auto Approval	Auto Approval
4	Seller's Address	Auto Approval	Auto Approval
5	Property Details (Including Property Value)	Auto Approval	Auto Approval
6	Amount Paid/Credited - Amount Payable to the Transferor/Seller	Auto Approval	Once request is raised by Buyer without digital signature, the same will be sent to TDS AO for verification of the amount and the genuineness of the buyer. TDS AO, if satisfied, can then approve the same from his inbox.
7	Date of Payment to the Seller	Auto Approval	Once request is raised by Buyer without digital

			signature, the same will be sent to TDS AO for verification of the date and the genuineness of the buyer. TDS AO, if satisfied, can then approve the same from his inbox. <i>Please note that Financial year should always be in confirmation with the Date of Payment. The same will be taken care of by system itself before the request is raised.</i>
8	Date of Tax Deduction	Auto Approval	Once request is raised by Buyer <u>without</u> digital signature, the same will be sent to TDS AO for verification of the date and the genuineness of the buyer. TDS AO, if satisfied, can then approve the same from his inbox.

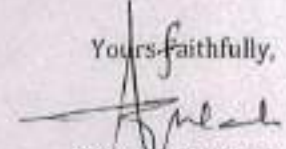
2. In all the cases where approval by AO is required, deductor will be prompted to approach the TDS assessing officer with hard copy of the correction request (sample attached). Also, it is to be noted that when the request is raised without using digital signature, the system cannot establish the identity of the person involved. Therefore, in such a case it is forwarded to the TDS AOs (along with the documents uploaded by the deductor at the time of raising the request) for verification and approval/rejection. **Hence, TDS AOs should pay due diligence in verification of the facts of the case and the genuineness of the persons involved before approving the ticket, especially when change in ownership or amount is involved.** TDS AO may like to ask for the Identity Proof and PAN Card of buyer along with the documents related to Transfer of Property and the proofs of payment made to verify the Amount of Property, Date of Payment, Property Details etc.

3. The aforesaid correction requests will be distributed equally to TDS AOs of the region to which the PAN of the buyer belongs and the same will be available in the form of tickets in their TRACES inbox under Tickets menu. The following procedure may be used to approve/reject these tickets:

- i. Click on Tickets menu
- ii. Click on inbox

- iii. Click on the corresponding Ticket Number
 - iv. Download the attached documents from Communication Details tab
 - v. Click on Action
 - vi. Select 26QB tab to see details of correction
 - vii. Click on Approve/Reject, as the case may be.
4. A copy of Frequently Asked Questions is enclosed herewith for your kind perusal.

Yours faithfully,



(SWATPAL GULATI)

Commissioner of Income Tax

CPC-TDS, Vaishali.

**TDS**

Centralised Processing Cell

TRACES

TDS Reconciliation Analysis and Correction Enabling System

FORM 26QB CORRECTION - ACKNOWLEDGEMENT

Correction ID: 2700		Date of Report: 02-Mar-2016	
ACKNOWLEDGMENT NUMBER OF 26QB		FINANCIAL YEAR	ASSESSMENT YEAR
RP6230133		2014-15	2015-16
PAN of Buyer		PAN of Seller	Total Property Value (Rs.)
BEPPL0995C		AECPL1503H	500000.00
Financial Year	2014-15	Updated Financial Year	
Amount Paid / Credited (Rs.)	467083.00	Updated Amount Paid / Credited (Rs.)	
Date of Payment / Credit (dd-mm-yyyy)	01-Apr-2014	Updated Date of Payment / Credit (dd-mm-yyyy)	
Date of Deduction (dd-mm-yyyy)	02-Dec-2014	Updated Date of Deduction (dd-mm-yyyy)	
PAN of Buyer	BEPPL0995C	Updated PAN of Buyer	
PAN of Seller	AECPL1503H	Updated PAN of Seller	AQBPK4953K
I hereby undertake that the above given information is true, complete and correct and is based on the books of account, documents, 26QB statements, TDS deposited and other available records.			
Place:	Goa	Signature of Authorised Person:	
Date:	02-Mar-2016	Full Name: MAYANK BHARDWAJ	
Note:			
1) Please furnish Form 26QB Acknowledgement to your Jurisdictional Assessing Officer after other PAN(s) Approval.			
2) Data highlighted with blue color is corrected data for 26QB correction request.			

FAQS ON 26QB FORM CORRECTION

Q1: What are the various types of defaults that may get generated on 26QB processing?

Ans: Following are the types of Defaults that may get generated on 26QB processing:-

- 1) **Short Deduction:** Short deduction is computed when the rate at which TDS Deducted^{*} is less than 1%.

Short Deduction Computation u/s 200A

Sr. No.	Section Code	Amount Paid / Credited as per 26QB (Rs.)	TDS Deposited as per challan (1) (Rs.)	Rate at which Deposited as per 26QB (%)	TDS Rates as per Act (%)	TDS Deductible (1% * Amount Paid/credited as per 26QB) (Rs.)	Short Deduction (Rs.) (Col 7 - Col 4)
1	2	3	4	5	6	7	8
1	1941A	9252000.00	9252.00	0.10%	1%	92520.00	83268.00

- 2a) **Late Payment Interest:** When deductor deposits the TDS after due date of challan deposit, it is a case of late payment and interest will be charged accordingly. Late payment interest will be charged @ 1.5% per month from the date of tax deduction to date of tax deposition.

Late Payment Interest Computation u/s 200A read with Sec 201(1A)

Sr. No.	Date of Deduction as per 26QB (dd-mm-yyyy)	Due Date for TDS Deposit (dd-mm-yyyy)	Date of Deposit as Per OLTAS (Challan) (dd-mm-yyyy)	TDS amount contained from challan (Rs.)	Period of Delay in Months (Col 4 - Col 3)	Interest on Late Payment U/S 201 (1A)(Rs.) (Col 5 * Col 6 * 1.5%)
1	2	3	4	5	6	7
1	28-Feb-14	7-Mar-14	10-Mar-14	6620	1	99

* Due date of TDS deposit will be by 7th of the next month of the month for which transaction is reported.

- 3a) **Late Deduction Interest:** When deductor does not deduct the TDS amount on the date of Payment/Credit, then, Interest on Late deduction is computed i.e. if the date of deduction is after the date of payment credit, then the late deduction interest is computed. Late deduction interest is charged @ 1% per month from date of transaction to date of tax deduction.

Late Deduction Interest Computation u/s 200A read with Sec 201(1A)

Sr. No.	Date of Payment/Credit as per 26QB (dd-mm-yyyy)	Due Date of Deduction (dd-mm-yyyy)*	Date of Deduction as Per 26QB (dd-mm-yyyy)	TDS Deductible (1% * Amount Paid/credited as per 26QB) (Rs.)	Period of Delay in Months (Col 4 - Col 3)	Interest on Late Deduction U/S 201 (1A)(Rs.) (Col 5 * Col 6 * 1.5%)
1	2	3	4	5	6	7
1	27-Feb-14	27-Feb-14	10-Mar-14	6620	2	132

* Due date of deduction will be date of payment/credit whichever is earlier.

3b) Interest on Short Deduction Short deduction interest is calculated @ 1% per month on Part of the month from the date on which tax was deductible to the date of the processing of statement. Please note that interest on Short Deduction is provisional in nature. As you pay the short deduction default amount, the corresponding interest (i.e interest on short deduction) would be reversed and the "Interest on Late payment" or "Interest on late deduction" shall be levied appropriately, as the case may apply.

Short Deduction Interest Computation u/s 208A read with Sec 201(1A)

Sr. No.	Short Deduction (Rs.) (as per Col 8)	Date of Payment/Credit as per 26QB (dd-mm-yyyy)	Order Passed Date as per notification (dd-mm-yyyy)	Period of Delay in Months (Col 4 - Col 3)	Interest due to short deduction (Rs.) (Col 2 * Col 5 * 1%)
1	2	3	4	5	6
1	83268.00	7-May-14	12-Feb-16	22	18304.00

4a) Late Filing Fee: As per section 234E, where a person fails to file the TDS/TCS statement within the due date prescribed in this regard, and then he shall be liable to pay, by way of fee, a sum of Rs.200 for each day during which the failure continues. Fee amount will not exceed TDS deductible as per 26QB filed.

Late filing fee Computation u/s 234E

Sr. No.	Due Date of Filing of 26QB* (dd-mm-yyyy)	Date of deposit of challan (dd-mm-yyyy)	Delay in Filing (No. of Days) (Col 3- Col 2)	Fee per Day (Rs.)	Total Fee (Rs.) (Col 4 Col 5)	Total TDS Deductible (1% * Amount Paid/credited as per 26QB) (Rs.)	Fee Payable = Min(Col 6, Col 7) (Rs.)
1	2	3	4	5	6	7	8
1	7-Mar-14	10-Mar-14	3	200	600	6620	600

* Due date of filing will be by 7th of the next month of the month for which transaction is reported.

Note: 1) Interest is chargeable for every month or part of the month on the amount of such tax.
2) A month is considered to be a calendar month as per general clauses act

Q 2. How can these defaults be resolved? Is online correction facility for form 26QB available now ?

Ans: For the resolution of these defaults, the buyer needs to use the "demand payment" link on the TIN portal through URL- <https://onlineservices.tin.egovnsdl.com/etaxnew/tdsnontds.jsp>. For further detailed procedure of demand payment the buyer/deductor may refer to Question No.3.

However, if the buyer/deductor finds that the default has arisen due to wrong data entry in his 26QB statement, then the functionality for online correction of Form 26QB is now available to the deductors(buyers). For that the buyer can log in to www.tdscpc.gov.in and make the online correction request in the respective fields.

Q 3 .Is there any approval required for online correction of 26QB statement? If yes, the details thereof?

Ans: If the buyer makes correction using Digital Signature Certificate (DSC), then there is no need of TDS assessing officer (AO)'s approval for making correction in any field of 26QB form. But, if the buyer doesn't make correction using Digital Signature Certificate (DSC), then **following fields** in 26QB online correction require approval of their TAN assessing officer (AO) :

1. PAN of Buyer Details
2. PAN of Seller Details
3. Amount Paid/Credited - Amount payable to the Transferor/Seller
4. Date of Payment/Credit ((Date of Payment to the Transferor/Seller). Note that the buyer will have to change the Financial Year as well if the changed Date of Payment/Credit lies outside the earlier financial year.
5. Date of Tax Deduction

If the buyer wants to change the PAN of buyer but doesn't make correction using DSC, then after the successful submission of correction request, an approval request will be automatically sent simultaneously to both ,PAN of Seller and Updated PAN of Buyer and status will be shown as" Pending for PAN approval" in the inbox of buyer .After getting their approval ,an approval request will be automatically sent to the TDS assessing officer and status will be shown as "Pending for AO approval" in the inbox of the buyer. However, if the same request is made using DSC then AO approval will not be required and only approval from PAN of Seller and Updated PAN of Buyer will be required.

If the buyer wants to change the PAN of seller but doesn't make correction using DSC, then after the successful submission of correction request, an approval request will be

automatically sent to the PAN of previous Seller and status will be shown as " Pending for PAN approval" in the inbox of buyer .After getting the approval of previous seller ,an approval request will be automatically sent to the TDS assessing officer and status will be shown as "Pending for AO approval" in the inbox of the buyer. However, if the same request is made using DSC, then AO approval will not be required and only approval from PAN of previous Seller will be required.

NOTE: In all the cases where approval by AO is required, the deductor will be prompted to approach the TDS assessing officer with hard copy of the correction request. The deductor/buyer should carry his Identity Proof & PAN Card along with the documents related to Transfer of Property and the proofs of payment made, for verification at the end of Assessing officer

Q.4 Is the intimation letter and justification report sent by CPC -TDS password protected? If yes, what is the password to open the same?

Ans: Yes, the attached document containing the intimation letter and justification report sent by CPC -TDS is password protected..To open the PDF, enter the first four characters of your PAN in capital letters, followed by an underscore (_) and date of payment / credit in the format DDMMYYYY. For e.g., if your PAN is ABCD12345E and date of payment / Credit as regular statement is 30-Sep-2012, enter password as 'ABCD_30092012'.