

**GOVERNMENT OF TELANGANA
IRRIGATION & C A D DEPARTMENT**

Circular Memo No.:Rc/ENC(Admn)/DEE(C)/AEE6

Dt:17.08.2023

Sub: Irrigation & CAD Department-Holding of Awareness Program on TDS provisions to all the AIN holders and DDos of the I&CAD Department, under Telangana State Government on 22nd August,2023 - Instructions to attend Seminar-Regarding.

Ref: The Joint Commissioner of income Tax, Letter No.Addl.CIT/TDS/R-1/Estt/2023-24 Dt:07.08.2023

The Joint Commissioner of income Tax, Hyderabad under reference cited, have communicated a copy of the letter where in it is informed that, during the course of review of compliance of TDS provisions by the state Government Departments, several deficiencies have been noticed with regard to deduction and remittance of tax and also filing of e-TDS returns as per the provisions of Income Tax Act 1961.

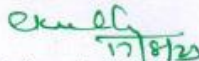
In order to overcome shortcomings by DDOs and for better understanding of TDS provisions, to bring awareness against all the state Government Depts.& educating them about the provision of I.T Act, the TDS wing of Income Tax Department has proposed to conduct seminar **on 22nd August,2023 in Amravathi Conference Hall, Income Tax Guest House, Road No.12, Banjara Hills, Hyderabad -500034.**

In view of the above, all the Engineer-in-Chiefs and Chief Engineers of the Irrigation & CAD Department are requested to instruct all DDos working under their control to attend the seminar **on 22nd August,2023 by 11.30 A.M in Amravathi Conference Hall, Income Tax Guest House, Road No.12, Banjara Hills, Hyderabad -500034** without fail.

Encl: As above.

G.Anil Kumar,
Engineer-in-Chief(Admn)

To
All the Unit officers of I&CAD Department .
All the SEs of I&CAD Department
All DDOs of I&CAD Department


17/8/23
for Engineer-in-Chief(Admn)

H. Deek
17/08/23



कार्यालय संयुक्त आयकर आयुक्त
OFFICE OF THE JOINT COMMISSIONER OF INCOME TAX,
टी डी एस, रेंज १, 4TH मंजिल, 'बी' ब्लॉक, आई टी शिखर, ऐ सी गार्ड्स, मासब टैंक, हैदराबाद।
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फ.नं: सं.आ.आ/टीडीएस/रेंज १/२०२३-२४
F.No. Addl.CIT/TDS/R-1/Estt/2023-24

दिनांक : 07.08.2023.
Date: 07.08.2023.

To
The Engineer - in - Chief(Administration),
I& CAD Department,
1st Floor, Jala Soudha Building,
Errum Manzil, Hyderabad.

Sir,

Sub: Holding of Awareness programme on TDS provisions to all the AIN holders and DDOs of the I& CAD Department, under Telangana State Government - Request to issue of necessary instructions- Regarding.

Kindly refer to the above subject.

2. It is to share with you that during the course of review of compliance of TDS provisions by the State Government Departments, several deficiencies have been noticed with regard to deduction and remittance of tax and also filing of e- TDS returns as per the provisions of the Income Tax Act 1961.

3. Some of the deficiencies noticed are as under:

- (1) Improper deduction of tax at source i.e. allowing deductions towards ineligible claims.
- (2) Non filing of 24 G statements by the STO/PAOs
- (3) Non furnishing of BINs by the STOs to the deductors.
- (4) Non filing of 24 Q statements by the DDOs.
- (5) Non-payment of demand raised by the department

4. Misuse of AINs of State Government Deductors and filing TDS statements by third parties (three methods):

- (i) Many state government agencies/offices are utilizing the services of 3rd party agents/ITPs in filing the TDS statements. All the details of the deductees along with their details such as nature of transaction, amount paid, amount of TDS deducted, date of payment, section under which deducted, PAN of the deductee, etc., will be made available to such agents for filing TDS statements. While filing details in Form 24Q, the 3rd party who is already in possession of information provided by the state government agencies/offices regarding the BIN amount, fraudulently enters some PANs against which it wishes to falsely claim refund in place of the original deductee PANs or Non-PANs deductees and file the return with NSDL-TIN facilitation centre by paying necessary uploading charges.
- (ii) Any person can obtain the TAN of the requisite state government office from internet through the link <http://treasury.telangana.gov.in/ddolist>. Then the 3rd party enters the Ain and TAN details to view the BIN details. After the BIN details for the specific period are obtained, the 3rd party who is not having the actually of BIN, randomly enters a TDS amount which is to be claimed as refund and, if it matches with the BIN amount, the 3rd party will obtain the receipt number, DDO serial number, date of payment which are used to file the quarterly returns in form 24Q. since the BIN amount is matched with the amount entered, the deductees mentioned by the 3rd party in the return will get TDS credit in their Form 26AS. Once the TDS is reflected in the Form 26AS, the 3rd party will file the ROI of these deductees and after the return is processed, the deductee receives refund on account of the fraudulently claimed TDS credit.
- (iii) Thirdly, the 3rd party will not have specific details of the BIN amount, but randomly enters a TDS amount which is to be claimed as refund and, even if it is not matching with the BIN amount, the 3rd party can still take the details of receipt number, DDO serial No, date of payment etc from BIN View facility of Google etc to file quarterly statement in the Form 24Q by overbooking the TDS amount to claim bogus re3fund. However, since the BIN amount is not matched, the Form 26AS will reflect "Over Booked" status. Despite the overbooked status, the 3rd party will file the TDS quarterly statements to claim the bogus refunds. This overbooked TDS amount will result as 'short payment' demand in the case of the deductor, once the TDS statements are processed by the CPC(TDS).

5. In view of the above, to bring awareness amongst all the State Government Departments, the Income Tax Department has been issuing letters to the State Government Departments educating them about the provisions of the Income Tax Act and also requiring them to comply with the TDS provisions applicable to them.

Surprisingly, it is noticed that some of the officials of the State Government still plead ignorance of the TDS provisions, filing of TDS statements, filing of their own individual returns of income.

6. The delay in payment of TDS deducted results in levy of mandatory interest under section 201(1A) of the I.T Act, 1961. Non-deduction of TDS by the DDOs not only attracts enforcing the collection of TDS through orders U/s. 201(1) but also calls for levy of penalty under section 271C of the I.T Act, 1961. Since the collection of TDS and its remittances is statutory and mandatory there is no room for discretion and hence these provisions have to be complied with scrupulously.

7. In order to overcome these shortcomings by DTO/STO/PAO/APAO/DDOs and for better understanding of TDS provisions, the TDS Wing of the Income Tax Department would like to address all the Joint Directors, AIN holders and DDOs of the I& CAD Department, under Telangana State Government through seminar on **22nd August, 2023 in Amravathi Conference Hall, Income Tax Guest House, Road No.12, Banjara Hills, Hyderabad- 500 034**. This would not only be of great help to the JDs/AIN holders/DTO/STO/PAO/APAO/DDOs/Treasury Officers/Accounts Officers in creating awareness of the provisions of TDS but would also help them in proper compliance to TDS provisions which will protect them from receiving mandatory interest/penalty notices for their lapses made out of ignorance.

8. In view of the above, necessary directions may be issued to the JDs/AIN holders/DDO's/PAO's/STO's to be present at **Amravathi Conference Hall, Income Tax Guest House, Road No.12, Banjara Hills, Hyderabad 500 034 by 11:30 A.M on 22.08.2023**, so as to enable this office to conduct **TDS Awareness Programme** which would help in educating them. Since the defaulters are very high in number involving huge arrear amounts, this programme may kindly be given priority.

भवदीय/Yours faithfully

(अदिति गोयल)/ADITI GOYAL

संयुक्त आयकर आयुक्त
Joint Commissioner of Income Tax,
टी डी एम, रेंज १, हैदराबाद
TDS Range-1, Hyderabad

Copy submitted to:
The Special Chief Secretary to Govt of TS(Irrigation and Command Department),
Hyderabad.