

12th September, 2014

Circular No - E/257

CPC (TDS) Advisory to deductors making TDS payment through multiple challans in a month

CPC (TDS) has issued an advisory communication to all deductors who have used multiple challans in a month for payment of TDS. In its advisory, CPC (TDS) has discussed about three main points:

- Payment of Tax Deducted under different sections of the Income Tax Act, 1961
- Payment of Tax Deducted for different Assessment Years
- Different challans used for the purpose of reporting multiple Deductees associated with different branches with same TAN

Based on the these information, deductors can use a single challan in a month towards TDS payment.

The issued communication has been given below:

Dear Deductor,

As per the records of the Centralized Processing Cell (TDS), it has been observed that you have used multiple challans in a month, for payment of Tax Deducted.

For Deductor's convenience, CPC(TDS) has established processing logic in the system that can accept a Single Challan for reporting of Tax Deposited in following circumstances:

- **Payment of Tax Deducted under different sections of the Income Tax Act, 1961:**
 - The CPC (TDS) system gives credit of TDS against different sections of the Act, even though a specific section has been quoted in the challan.
 - Example: The challan used for payment of TDS relevant to Section 192 of the Act can also be used for the purpose of reporting tax deposited under Section 194 of the Act also.

Situation prior to Financial Year 2012-13	Consumption of Challan in TDS Statement on the basis of Section quoted in the Challan details
Situation after Financial Year 2012-13	Section quoted in Challan, at the time of depositing Tax deducted/ collected is irrelevant for the purpose of consumption in TDS Statement.

- **Payment of Tax Deducted for different Assessment Years:**
 - In case tax has been deposited more than the required tax deducted at source for a particular Assessment Year, the excess amount of tax can be claimed in the following quarters of the

relevant year. The balance amount if any, can be carried forward to the next year for claim in the TDS statement.

- Example: If excess payment of Tax has been made in Quarter 1 of financial year 2013-14, the same can be used for Quarter 2, 3 &4 of F.Y. 2013-14 as well as for Q1 to Q4 of F.Y.2014-15. The excess amount of tax paid in Q1 of F.Y.2013-14 can also be used for payment of tax default of Q1 to Q4 of F.Y.2012-13.
- **Different challans used for the purpose of reporting multiple Deductees associated with different branches with same TAN:**
 - The deductor may have used multiple challans for reporting multiple deductees associated with different branches, in the TDS Statement.
 - A single challan can be used for the purpose of reporting Tax Deducted for such deductees.
 - Example: If a Bank has multiple branches with same TAN, payment of Tax Deducted can be made by a single challan and all the deductees can be tagged using the same.

Based on the above information, you may use a single challan in a month towards payment of Tax Deposited. For any assistance, you can also write to ContactUs@tdscpc.gov.in or call our toll-free number 1800 103 0344.

CPC (TDS) is committed to provide best possible services to you.

CPC (TDS) TEAM