



75
Azadi Ka
Amrit Mahotsav



केन्द्रीय भण्डारण निगम
(भारत सरकार का उपक्रम)

CENTRAL WAREHOUSING CORPORATION

(A Govt. of India Undertaking)

जन-जन के लिए भण्डारण/Warehousing for Everyone



CWC-FD/CA-Taxation Circular/2021-22

8th February, 2022

TAXATION CIRCULAR NO. # 49

Sub: Tax Compliances to be ensured by CWC in case of non deduction of TDS in cases where a self declaration is taken by CWC from the deductee by way of Form 15G/Form 15H.

**Ref: (a) Section 197A of Income Tax Act,1961 along with Rule 29C of Income Tax Rules,1962
(b) Notification No 4/2015 dt 01.12.2015 issued by CBDT, Directorate of Income Tax (Systems) – Copy enclosed
(c) Sec 206AA(2)- of Income Tax Act,1961**

1. Sub-Section (1) & (1A) of Section 197 A mandates that no deduction of tax shall be made in certain cases for the individual, who is resident in India, if such individual furnishes to the person responsible for paying such income, a declaration in writing in the Form 15G/15H and verified in the prescribed manner to the effect that the tax on his estimated total income of the previous year in which such income is to be included in computing his total income will be nil.
2. **Rule 29C of Income Tax Rules,1962** prescribes the manner in which the said declarations are to be obtained and the manner in which the returns are to be furnished. As far as CWC is concerned, there can be a case where CWC is a payer and the payee submits to CWC a **declaration in Form 15 G/Form 15H (paper/electronic) requesting CWC not to deduct any tax of the amount paid to him/her.** Form 15G/ Form 15H are to be submitted in case income so paid /credited during the previous year, does not exceed a threshold limit. The only difference in Form 15G/ Form 15H is that Form 15G is to be submitted by the individual with age less than 60 years and Form 15 H is to be submitted by the individual with age 60 years or more. The benefits of Form 15G/ Form 15H can not be claimed by any Non residents. Thus. where any payment is made to Non-resident payee by CWC for any services availed, then this circular is not applicable.
3. The detailed compliance procedure for filing and verifying declaration in Form 15G/Form 15 H in line with Section 197A of Income Tax Act, along with Rule 29C of Income Tax Rules is placed in Annexure 'A'.
4. Timeline for furnishing of declaration by payee to CWC is as under:

The payee can furnish the form in any quarter of a financial year and the declaration shall remain effective from the quarter it is so received till the end of the financial year.



75
Azadi Ka
Amrit Mahotsav

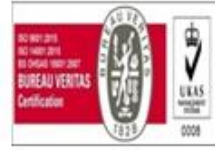


केन्द्रीय भण्डारण निगम
(भारत सरकार का उपक्रम)

CENTRAL WAREHOUSING CORPORATION

(A Govt. of India Undertaking)

जन-जन के लिए भण्डारण/Warehousing for Everyone



5. Time line for furnishing of declaration received by payer to the income tax authority is as under:

It is the same as are for quarterly TDS returns and mentioned in Rule 29C read with reference to Rule 31A(4)(vii) and is as under :

Quarter	Date of ending of quarter of financial year	Due Date
Qtr-1	30 th June	31 st July of the financial year
Qtr-2	30 th September	31 st October of the financial year
Qtr-3	31 st December	31 st January of the financial year
Qtr-4	31 st March	31 st May of the financial year immediately following the F.Y. in which the deduction is made

6. In case the above is not done, there shall be a penalty provisions applicable , which are as under:

If the payer is not following the provisions prescribed, the payer will be in default as it has not followed the process for lower deduction and hence, he will be treated as assessed in default as well as liable for interest, penalty etc. u/s 201 and disallowance u/s 40(a)(ia). Further, there is an additional penalty of Rs. 100/- per day prescribed u/s 272A.

Thus, ROs are advised to ensure above additional tax compliance as per aforesaid procedure where CWC is the payer of income covered u/s 197A.

(Amit Puri)
General Manager (Tax & Accounts)

Distribution to:

1. All Regional Managers of CWC
2. All DGMs/AGMs/Managers/ (Sr.) Asstt.Managers /Accountants in Finance, Accounts & Internal Audit Wings of all ROs.

Copy for information to:

1. All DGMs/AGMs/Managers/(Sr.) Asstt.Managers /Accountants in Finance, Accounts & Internal Audit Cadre at CWC, Corporate Office, New Delhi
2. Director(Fin.), CWC, CO, New Delhi
3. GGM(F&A), CWC, Corporate Office, New Delhi



75
Azadi Ka
Amrit Mahotsav



केन्द्रीय भण्डारण निगम
(भारत सरकार का उपक्रम)

CENTRAL WAREHOUSING CORPORATION
(A Govt. of India Undertaking)

जन-जन के लिए भण्डारण/Warehousing for Everyone



4. PPS to GGM(systems), CWC, CO, New Delhi –with a request to place this Circular on CWC’s website.
5. Manager(Rajbhasha), CWC, CO, New Delhi, with a request to arrange Hindi version of this circular.



75
Azadi Ka
Amrit Mahotsav



केन्द्रीय भण्डारण निगम
(भारत सरकार का उपक्रम)

CENTRAL WAREHOUSING CORPORATION

(A Govt. of India Undertaking)

जन-जन के लिए भण्डारण/Warehousing for Everyone



ANNEXURE 'A'

Procedure for filing & verifying declaration in Form No. 15G/ Form No. 15H as per Rule 29C of Income Tax Rules,1961-

- Declaration (paper/electronic) in Form No. 15G/ Form No. 15H is to be furnished to the deductor/payer for each financial year.
- The declarant shall mandatorily quote his/her PAN in the declaration form.
- Form 15G and Form 15H should be retained for the period of 7 years.
- **Responsibility of Verification of Declaration by payer** :The payer shall be responsible for proper verification of the declaration through an electronic process and shall implement the verification process after due diligence to ensure non-repudiation of the declarant. The payer shall archive log of all electronic activities in the process of furnishing of electronic declaration and the payer shall be responsible to establish the identity and credentials of the declarant in case of any dispute.
- **Allotment of UIN** :
 - (i) The Tax deductor is required to assign a Unique Identification Number (UIN) to each declaration received during financial year.
 - (ii) UIN shall consist of 3 fields :
 - (a) Sequence Number (10 alphanumeric for Form 15G/Form15H). For Form 15G 10 alphanumeric characters starting with G following by 9 Digits (For example G000000001). For Form 15H 10 alphanumeric characters starting with H following by 9 Digits (For example H000000001)
 - (b) The financial year for which Form 15G/15H is being submitted.
 - (c) TAN of the payer.
 - (iii) Paper declaration shall be digitized by the payer and the same shall bear sequence number out of the same “running sequence number series” as used for online submission
 - (iv) UIN running sequence number series shall be reset to 1 in case of each TAN of the payer at the start of each financial year.
- **Furnishing of declaration to Income Tax Authority** :
 - (i) The payer shall digitize the paper declaration and upload all declarations (including electronic and digitized declaration) received during a particular quarter on income tax site on quarterly basis (*in the given file format on the e-filing website using TAN and go to e-*



75
Azadi Ka
Amrit Mahotsav



केन्द्रीय भण्डारण निगम
(भारत सरकार का उपक्रम)

CENTRAL WAREHOUSING CORPORATION

(A Govt. of India Undertaking)

जन-जन के लिए भण्डारण/Warehousing for Everyone



file>Upload Form 15G/15H)alongwith furnishing the transactions covered under 15G/15H in quarterly TDS Statements.

- (ii) The XML file of the statement should be prepared using the utility provided on the income-tax e-filing portal.The same should be then zipped and uploaded using DSC.
- (iii) The uploaded file will be processed and validated at the e-filing portal. After validation, the status, i.e. “accepted” or “rejected” (along with reasons), would be reflected on the portal within 24 hours.
- **Reconciliation Mechanism:** The payer will be responsible for reconciliation of allotted UIN and UIN reported to tax authority and shall file the exceptional report for UIN not uploaded on ITD website/UIN not reported in quarterly TDS statement.

/14425-556

F.No.: DGIT(S)/CPC(TDS)/DCIT/15GH/2015-16
Government of India
Ministry of Finance
Central Board of Direct Taxes
Directorate of Income-tax(Systems)
New Delhi.

Notification No. 4 /2015

New Delhi, 1st of December 2015

Subject: Simplification of procedure for Form No.15G & 15H – regarding

Section 197A of the Income tax Act provides for no deduction in certain case by submitting a declaration using Form 15G/15H as laid down in Rule 29C of the Income tax Rules. The manner of filing such declaration and the particulars have been laid down in Rule 29C of the Income tax Rules. The person responsible for paying any income of the nature referred to in sub section (1) or sub section (1A) or sub section (1C) of section 197A (hereinafter called “payer”) shall enable the payee to furnish the declaration in electronic form after due verification through an electronic process. The declarant shall mandatorily quote his/her PAN in the declaration form 15G/H in accordance with the provisions of section 206AA(2).

A unique identification number shall be allotted to declaration (paper /electronic). The payer shall digitize the paper declaration and upload all declarations (including electronic declaration and digitized declaration) received during a particular quarter at departmental site (www.incometaxindiaefiling.gov.in) on quarterly basis. Further, clause 5 of rule 29C provides that the payer shall also furnish transactions covered under 15G/15H declarations in quarterly TDS statement in accordance with the provisions of clause (vii) of sub rule (4) of rule 31A irrespective of the fact that no tax has been deducted in the said quarter.

In exercise of the powers delegated by the Central Board of Direct Taxes (Board) under sub para (7) of para 2 of Notification issued vide S.O. No.2663(E) dated 29th September 2015, the Principal Director General of Income-tax(Systems) hereby specifies the procedure, formats and standards in this regard as under:

1. Furnishing and verification of the electronic declaration:

Rule 29C enables the payer to receive electronic declaration after due verification through an electronic process. The payer shall be responsible for proper verification of the declarant through an electronic process and shall implement the verification process after due diligence to ensure non-repudiation of the declarant. The payer shall archive log of all electronic activities in the process of furnishing of electronic declaration and the payer shall be responsible to establish the identity and credentials of the declarant in case of any dispute. The declarant shall mandatorily quote his/her PAN in the declaration form 15G/H in accordance with the provisions of section 206AA(2).

2. Allotment of UIN (Unique Identification Number):

2.1 UIN shall consist of following three fields (a), (b) & (c):

a) Sequence Number (10 alphanumeric for Form 15G/15H) given as follows;

15G	15H
10 alphanumeric characters starting with G followed by 9 digits(Eg. G000000001)	10 alphanumeric characters starting with H followed by 09 digits(Eg. H0000000001)

- b) Financial year for which declaration is being furnished
c) TAN of the payer

- 2.2 Paper declaration shall be digitized by the payer and the same shall bear sequence number out of the same "running sequence number(Field 'a' of UIN) series", as used for online submission.
2.3 UIN running sequence number series shall be reset to 1 in case of each TAN of the payer at the start of each F.Y.

3. Furnishing or making available the declaration to the income-tax authority:

- 3.1 The payer will upload, the 15G and 15H declarations (digitized/electronic) received during a quarter, on quarterly basis, in the given file format on the e-filing site (www.incometaxindiaefiling.gov.in).
- 3.2 In addition to the above, the payer shall quote "sequence number" (Field 'a' of UIN) in quarterly TDS statement against the transaction covered under 15G/H declaration in accordance with the provisions of clause (vii) of sub rule (4) of rule 31A irrespective of the fact that no tax has been deducted in the said quarter.

4. Reconciliation Mechanism:

- 4.1 The payer will be responsible for reconciliation of the allotted UINs vis-a vis reported UINs to the ITD through reporting in quarterly TDS statement as well as through upload of declarations on quarterly basis.
- 4.2 The payer shall file exceptional report for the following UINs: a) UINs not reported in TDS statements b) UINs not uploaded on ITD website. The format of the report will be made available at the departmental website separately.



(Ps. Thuingaleng)

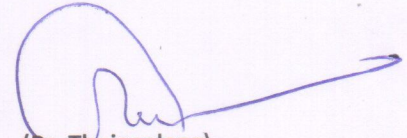
Dy. Commissioner of Income Tax (CPC-TDS)

O/o The Pr. Director General of Income-tax (Systems)

Copy to:

1. PPS to the Chairman and Members, CBDT, North Block New Delhi.
2. All Chief Commissioners/Director General of Income-tax/Commissioners of Income-tax/Commissioners of Income-tax(TDS) – with a request to circulate amongst all officers in their regions/charges.
3. JS(TPL)-I&II / Media coordinator and Official spokesperson of CBDT.
4. DIT(IT)/DIT(Audit)/ DIT (Vig.)/ ADG (Systems) 1,2,3,4,5 /ADG(TDS)/CIT(CPC-ITR), Bangalore, CIT(CPC-TDS) Ghaziabad
5. ADG (PR, PP &OL) with a request for advertisement campaign for the notification.
6. TPL and ITA Divisions of CBDT

7. The Institution of Chartered Accountant of India, IP Estate, New Delhi.
8. The Web Manager, 'incometaxindia.gov.in' for hosting on the website.
9. Database cell for uploading on www.irsofficersonline.gov.in and in DGIT(Systems) corner.
10. ITBA publisher for uploading on ITBA Portal



(Ps. Thuingaleng)

Dy. Commissioner of Income Tax (CPC-TDS)
O/o The Pr. Director General of Income-tax (Systems)