



भारत सरकार

Government of India

कार्यालय आयकर आयुक्त (टी डी एस)

Office of the Commissioner of Income-tax (TDS)

आयकर भवन, लक्ष्मी नगर जिला केन्द्र, दिल्ली - 92

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No CIT(TDS)/Del/T-3(4)/197/09-10/1922

Date : 22/03/10

Public Notice

Sub : application for certificate u/s 197/206C -

An assessee in receipt of any amount or income subject to TDS under various provisions, may make an application for issue of certificate u/s 197 to the payer authorizing him to deduct tax at lower than specified rate or not deduct at all. The application for this purpose is to be made in Form No 13 prescribed in IT Rules. The jurisdiction (except for payment requiring TDS u/s 195) to issue certificate u/s 197/206C is vested with the officers in CIT(TDS) charge. Following important points regarding certificate u/s 197 or 206C are noteworthy.

- i. Section 206AA (4) of the Income Tax Act 1961 provides that no certificate under section 197 shall be granted unless it contains the Permanent Account Number of the applicant. The provisions are effective from 1st April 2010. In the light of the statutory provisions all certificates u/s 197/206C are now to be issued through the ITD application ie computer system of the department. Issue of manual certificates is not permitted.
- ii. Certificate has to be issued individually to each deductor. Only a copy of the certificate is to be given to the applicant /assessee for information.
- iii. Only the original certificate addressed to the deductor and signed by AO can be acted upon by deductor and photo copy of the same is not valid.
- iv. As per CBDT Circular No 774 dtd 17/03/99 Certificate u/s 197 is valid for payments made after the date of issue of certificate. In other words, certificate can not be issued retrospectively.
- v. By default, the date of validity of certificate begins from the date on which it is generated from the System.

Guidelines to the applicants for filing of applications for issue of certificate

(a) Information as required in various clauses of Form No 13 should be completely filled-in. Please note PAN of the applicant is mandatory without which a certificate can not be generated from system.

(b) In view of (ii) above, information about all persons responsible for paying any sum liable to TDS (deductors) has to be given clearly and distinctly. Please note that TAN of each deductor is mandatory without which certificate can not be generated from system.

(c) There are 12 schedules in Annexure-I (to form No 13) for giving information about receipt liable for TDS under different sections. Annexure—II for TCS has two schedules – one for purchases to be made and other for license/lease obtained by applicant. The relevant information in each schedule has to be furnished separately as per the columns prescribed.

(d) To determine correct jurisdiction of AO, summary of gross amount receivable from deductors, as per different schedules according to nature of receipt, may be given with application as under:

Schedule of Annexure-I	Section applicable	Gross amount from all parties

(e) To facilitate speedy generation of certificates, it is advised that information in various schedules of Form No 13 may **also** be furnished in soft copy. For this purpose excel file may be created having separate worksheet for each applicable schedule. The columns as prescribed have to be used and one more column for TAN of deductor may be added in each schedule.

(f) Please note that any application having more than ten deductor (where no of certificate to be issued exceeds 10), the filing of soft copy of deductor information is necessary. Without information in soft excel file, application may not be processed.

(g) The certificate to each deductor is issued for receipt of amount upto a particular limit. With change in the amount expected to be received, the projected income & tax computation will also undergo change. Since there is no

provision in ITD system for modification / correction of a certificate issued, a fresh application needs to be filed with any change in amount receivable.

(h) Furnishing following information in affidavit form may expedite the processing of the application.

- Details of any application/certificate issued u/s 197 in last year.
- If income-tax return is filed, details of tax payment for last three years as under:

AY	Total returned income if assessment made)	Income (assessed if assessment made)	TDS deducted	Advance tax paid	Self assessment tax paid	Refund, if any claimed / issued

- If income-tax return is not filed or not required to be filed, following information for last three financial years

FY	Total Receipts against which no deduction/low deduction made in view of certificate u/s 197 issued in such F Yr	TDS deductible at normal rates	TDS deducted in such year	Difference (3) - (4)

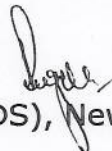
- Amount of demand outstanding with any authority of Income-tax department
- For fast communication Phone/fax number, e-mail id, name of dealing person

It may normally take about 15-20 days or more in processing an application, depending on various factors / procedures involved and applicant's response to queries. The applicants are therefore advised to file application sufficiently in advance from the expected date of receipt / credit of sum liable to TDS.


(R K Gupta)

Commissioner of Income-tax (TDS)
New Delhi

- Copy to :
1. The Chief CIT, New Delhi
 2. The Chief CIT-III, New Delhi
 3. All officers of CIT(TDS) charge
 4. The Income-tax Bar Association
 5. The Chartered Accountants' Association. (ICAI-North region)
 6. Delhi Tax Bar Association
 7. Notice Board of all Income-tax Buildings


CIT(TDS), New Delhi