

**GOVERNMENT OF JAMMU AND KASHMIR**  
**FINANCE DEPARTMENT**  
**DIRECTORATE GENERAL OF ACCOUNTS AND TREASURIES, J&K**

**Subject:- Mechanism of TDS deposition for Government Offices and checkpoints for the Drawing and Disbursing Officers and Accounts Officers.**

**Reference:- Office of the Commissioner of Income Tax (TDS)-1, Chandigarh letter No. 3009 dated 21<sup>st</sup> February, 2024.**

**C I R C U L A R**

The Commissioner of Income Tax (TDS)-1, Chandigarh vide above referred communication has informed that there have been some unrelated instances of the misuse of AIN (Account Office Identification Number) and TAN (Tax Deduction Account Number) by private persons whose services have been taken by some unrelated Government Offices for help in taxation matters at their respective ends.

It has been further brought into the notice that the TDS mechanism has been misused by such unscrupulous persons with an intention of claiming bogus refunds. An entire chain of bogus/false claims in Form 24G statements filed under the AIN are created, false TDS quarterly statements are filed and ultimately ITRs claiming bogus refunds are filed. These frauds are serious in nature.

In this context, Income Tax department has shared a brief note on mechanism of TDS deposit by Government Offices and checkpoints for exercising due diligence and due care by the AIN holders and TAN holders which is as follows:-

**A. Mechanism of TDS deposition for Government Offices:**

The Income Tax Law provides that where tax is deducted/collected by a Government office, the Tax so deducted/collected at source can be remitted to the Central Government without production of income-tax challan (ITNS 281). The process is explained below:

- In Government Accounting System, each DDO who is responsible for tax deduction at source (TDS) is allotted a TAN and he is responsible for filing of TDS Statements like Form 24Q and Form 26Q.
- Each DDO reports to a Pay and Accounts Officer (PAO)/District Treasury Officer (DTO)/ Cheque Drawing and Disbursing Officer (CDDO) (hereinafter mentioned as 'Accounts Officer'). These persons are allotted AINs (Account Office Identification Numbers).
- The information regarding TDS deducted against payments is passed on by the DDO who holds the TAN to the Accounts Officer who holds the AIN.
- The Accounts Officer makes book entry for the transfer of TDS credit to the account of the Central Government by filing Form 24G every month as per ITD Notification no. 41/2010 dated 31 May 2010 using the Accounts Office Identification Number (AIN).
- After filing of Form 24G, Book Adjustment Identification Number (BIN) is generated for each DDO.
- Using the BIN (Book Adjustment Identification Number), the DDO files quarterly TDS/TCS statements in Form Nos. 24Q/26Q/27Q/27EQ (as may be applicable).

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- Income Tax Department processes the TDS/TCS statements filed by the DDO, quarterly, and passes on the TDS/TCS credit (as per the quarterly TDS/TCS Statements in Form Nos.24Q/26Q/27Q/27EQ filed by the DDOs to the PAN holders relating to whom the tax has been supposedly deducted/collected. The said tax credits are thereafter reflected in Form 26AS/Annual Tax Statement of the PAN holder.

**B. Checkpoints for the Drawing and Disbursing Officers and Accounts Officers:**

- The person authorized to sign Form 24G is required to pass the Book Entry only after verifying the data received from the TAN holders/DDOs linked to the AIN. Further, he should also reconcile the tax deducted with the budget allocated under the particular Head.
- TAN holders/DDOs are required to provide true and correct information to the AINs in a timely manner to avoid repeated revisions of monthly statements by the AIN holders and consequent revision of Quarterly TDS statements by TAN holders.
- In a case where a particular AIN number and a particular TAN number is not required due to change in organizational structure or for other reasons, the same should be immediately brought to notice of the Jurisdictional TDS AO for such deactivation of AIN/TAN. Such AINs/TANs are liable to be misused if not deactivated.
- The login credentials used for filing monthly or quarterly statements should be within the control of the Officer in charge (AIN Holder or DDO) and he should ensure that the statements are filed properly by the private agency deputed and there is no abuse of TDS/TCS mechanism towards inappropriate end.
- Though the task of filing of TDS returns might have been delegated by the AIN holder or TAN holder to third party agency, the ultimate responsibility to ensure rightfulness of TDS returns filed is of the Government Official only and not of the third party agency.

It is therefore, impressed upon all the Heads of the Department/Managing Directors/Treasury Officers/Drawing & Disbursing Officers of the UT of Jammu & Kashmir to follow the aforementioned instructions of Income Tax Department while filing TDS returns.

  
**(Mahesh Dass),** 29/3/24  
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