

TDS Demand

Consequences of Failure to Pay

Udyog Software (India) Ltd.

11/08/2014

In accordance with provisions of section 201(1) of the Act, where any person, including the principal officer of a company, who is required to deduct any sum in accordance with the provisions of the Act; does not pay, or after so deducting fails to pay, the whole or any part of the tax, as required by or under this Act, then, such person, shall be deemed to be an assessee in default in respect of such tax.

As per the provisions of section 220 of the Act:

- Any amount, specified as payable in a notice of demand shall be paid within thirty days of the service of the notice.
- If the amount specified in any notice of demand is not paid within the period limited under sub-section (1), the assessee shall be liable to pay simple interest at one per cent for every month or part of a month comprised in the period commencing from the day immediately following the end of the period mentioned in sub-section (1) and ending with the day on which the amount is paid.
- If any person fails to deduct or pay the whole or any part of the tax, then, such person shall be liable to pay, by way of penalty, a sum equal to the amount of tax which such person failed to deduct or pay under Section 271C of the Act.
- Failure to pay tax to the credit of Central Government is punishable with fine as per the provisions of section 276B/ 276BB.
- Section 278A of the Act prescribes for punishment for second and subsequent offences, if any person has been convicted of an offence under section 276B.

Actions to be taken at the earliest:

- Download the Justification Report from our portal TRACES to view your latest outstanding demand.
- Use Challan ITNS 281 to pay the above with your relevant Banker or use any other Challan, which has adequate balance available.
- Download the Conso File from our portal.
- Prepare a Correction Statement using version 3.9 of the Return Preparation Utility (RPU) and version 4.2 & 2.138 of the File Validation Utility (FVU).
- Submit the Correction Statement at TIN Facilitation Centre.
- You can also use our Online Corrections facility on TRACES to submit corrections for FY 2013-14 onwards, after payment of the demand.