

Certificate of lower deduction for non deduction of tax at source u/s 197 of the Income Tax Act-matter-reg-

1. I am directed to bring to your notice on the subject of issue of certificates u/s 197 that by Instruction No. 8/2006 dated 13.10.2006, it was laid down that certificates for lower deduction or nil deduction of tax at source u/s 197 are not to be issued indiscriminately and for issue of each certificate, prior [administrative approval](#) of the concerned Range Head shall be obtained by the AO. Subsequently, Instruction No. 7/2009 dated 23.12.2009 read with letter F.No.275/23/2007-IT(B) dated 08.02.2010 has laid down [monetary limits](#) for prior administrative approval of the CIT-TDS or DIT-Intl. Taxation, as the case may be. Such certificates are normally being issued at present, manually rather than through the ITD system.
2. To maintain centralized data of issue of such certificates and facilitate better processing of the TDS returns filed by the deductors and in continuation to the above instructions, I am directed to communicate that henceforth w.e.f. the certificates u/s 197 shall be generated and issued by the AO mandatorily through ITD system only.
3. In case due to certain reasons, it is not possible to generate the certificate through the system on the date of its issue, the AO shall upload the necessary data on the system within 7 days of the date of issue (manually) of the certificate.
4. The manner of issue of certificate u/s 197 through the system, uploading of data in situation covered in para 3 above and the prior administrative approval by the Range Head and by the CIT-TDS/DIT-Intl. Taxation is given in the enclosed Annexure for guidance of all concerned.
5. The content of the above Instruction may be brought to the notice of all officers working in your charge for strict compliance.

Hindi version will follow.

F.No.275/23/2007-IT(B)

(Tajbir Singh)

Under Secretary (Budget)