

## Chapter 5

### Issues in Accounting

#### 5.1 G-OLTAS Reconciliation

The ITD's initiative to receive information and maintain records of tax paid through banks through online upload of challans is named as Online Tax Accounting System (OLTAS). Reporting of remittances and maintenance of records of TDS in case of government deductors is known as G-OLTAS. In the Government Accounting System each deductor is associated with a specific Accounts Officer who processes the bills prepared by the deductor. The Pay and Accounts Office (PAO)/District Treasury Office (DTO)/ Cheque Drawing and Disbursing Office (CDDO) are required to file Form 24G<sup>15</sup> as per ITD notification no. 41/2010 dated 31 May 2010. In case of an office of the Government, where tax has been paid to the credit of Central Government without the production of a challan associated with deposit of the tax in a bank, the PAO/CDDO/DTO or an equivalent office is required to file Form 24G. A unique seven digit Accounts Office Identification Number (AIN) shall be allotted to every Accounts Officer. Every Accounts Officer shall furnish one complete, correct and consolidated Form 24G every month having details of all type of deduction/collection. Filing of form 24G is associated with generation of a Book Adjustment Identification Number (BIN) against each DDO who file the quarterly TDS statements quoting the same. For statutory obligation, a book transfer entry is prepared and sent to the AG Office. The AG accumulates the book transfer entries from all PAOs and draws a consolidated draft in favour of the ITD.

Reconciliation is an essential part of the TDS units so as to verify the number of active AIN holders as compared to the total number of AIN holders and also any difference in amount reported by State Government AINs in Form 24G with the amount reported by State AG.

An AO-TDS is required to monitor the compliance of filing of form 24G by the AIN holders and dissemination of BIN to the Government deductors. Form 24G filed by the AIN holders could be utilised to issue notices by AO (TDS) to the Government deductors to file their TDS returns. In this chapter, issues relating to reconciliation of G-OLTAS have been discussed.

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<sup>15</sup> Statement of TDS/TCS book adjustment

## 5.2 Non-reconciliation of TDS as reported by State Government AINs and State AGs

5.2.1 The all India information provided by CPC(TDS) revealed that the amount in Form 24G reported by State Government AINs were different from the amount reported by the State AGs as shown in the table 5.1.

**Table 5.1 : Difference in Amount reported in Form 24G by State Government AINs vis-à-vis the State AGs** (₹ in crore)

FY	Amount reported by State Government AINs in Form 24G	Amount reported by the State AGs as consolidated deduction during the year	Difference
2012-13	71,633	8,880	62,753
2013-14	12,419	9,566	2,853
2014-15	11,865	11,938	(73)

Source: DIT(CPC-TDS)

5.2.2 At the state level, Audit verified the TDS collection amounts as reported by state AIN holders in Form 24G and TDS collections as reported by state AG in the states of Tamil Nadu, Maharashtra, Rajasthan and Gujarat. In case of Rajasthan, there was no discrepancy in the figure of state AIN holders and the state AGs. However, there was difference between the TDS collection reported by state AIN holders and those by state AGs, thus affecting the accuracy of the collection figures in the accounts. The details are shown in table 5.2.

**Table 5.2: Difference in Amount reported by State Government AINs and by the respective State AGs** (₹ in crore)

State	FY	TDS collections reported by state AIN holders in Form 24G	TDS collections for the state as reported by state AG	Difference
Tamil Nadu	2013-14	1071.57	1,045.52	26.05
	2014-15	1040.73	1,053.83	(13.10)
Maharashtra	2013-14	861.86	880.97	(19.11)
	2014-15	765.49	772.75	(7.26)
Rajasthan	2012-13	857.32	857.32	0
	2013-14	194.25	194.25	0
	2014-15	946.02	946.02	0
Gujarat	2014-15	432.81	414.21	18.60

CIT(TDS) Chennai replied (March 2016) that G-OLTAS reconciliation was being done and had not reached finality.

*During exit conference, the CBDT stated that non-reconciliation of TDS figures between State Government AINs and State AGs is an accounting issue emanating from wrong reporting by the State Government AINs. The matter would be taken care of by enhancing capacity building of Government deductors.*

### 5.3 Delay in furnishing of Form 24G

Every Accounts Officer shall furnish one complete, correct and consolidated Form 24G every month having details of all type of deduction/collection. Filing of form 24G is associated with generation of a Book Adjustment Identification Number (BIN) against each DDO who file the quarterly TDS statements quoting the same.

Audit noticed that for the period 2012-13 to 2014-15 there were delays in furnishing Form 24G by the 18,703 AIN holders. The delays were more than 90 days in 9,194 cases. The details are shown in the table 5.3.

FY	Number of AIN holders	Period of delay(in days)					Amount involved ₹ in crore
		1-14	15-30	31-60	61-90	>90	
2012-13	6,196	3,287	3,284	4,768	4,045	4,429	13,799
2013-14	6,411	4,597	4,224	4,569	3,780	3,071	14,674
2014-15	6,096	4,953	3,886	3,953	3,081	1,694	12,459
<b>Total</b>	<b>18,703</b>						<b>40,932</b>

Source: CPC(TDS)

The DDOs are required to file the quarterly TDS statement using the Book Adjustment Identification Number (BIN) which is generated after filing of Form 24G by Accounts Officer.

Failure to furnish the Form 24G by Accounts Officer in time led to delay in filing of quarterly TDS statements within due date<sup>16</sup> by respective DDOs thereby causing inconvenience to tax payers for claiming of their tax credits.

### 5.4 In-active AIN holder

Audit noticed that 3,792 AINs were allotted during the period from FY 2012-13 to FY 2014-15. The total cumulative AINs were 8,791 out of which only 6,861 AINs were active during FY 2014-15. Remaining 1,930 AINs remained inactive during 2014-15. Details of active AIN holders are shown in the table 5.4.

FY	AINs allotted	Cumulative AINs	Active AINs	Cumulative active AINs
2012-13	2,331	7,330	1,918	5,842
2013-14	696	8,026	577	6,742
2014-15	765	8,791	624	6,861
<b>Total</b>	<b>3,792</b>		<b>3,119</b>	

Source: CPC(TDS)

<sup>16</sup> For Quarter ending 30 June, 30 September, 31 December and 31 March, due date is 31 July, 31 October, 31 January and 15 May respectively

Failure of the ITD to remove those officials from the listing of AIN holders who no longer performed functioning of AIN holders resulted in persons no longer functioning as Accounts Officers still having possession of AINs.

*During exit conference, the CBDT stated that observation has been taken note of and all possible steps will be taken in this regard.*

### 5.5 Default of TDS by Government deductors

Audit noticed that there were defaults<sup>17</sup> of TDS by Government deductors, details shown in the table 5.5.

FY	Total amount of defaults of all Government deductors (₹ in crore)	Number of defaulters with more than ₹ one crore default	Amount of default in respect of more than ₹ one crore default
2012-13	2,867.40	306	1,153.93
2013-14	3,726.15	385	1,189.94
2014-15	2,022.46	235	631.02
<b>Total</b>	<b>8,616.01</b>	<b>926</b>	<b>2,974.89</b>

Source: CPC(TDS)

As per the information provided by CPC(TDS), default of all tax deductors was for ₹ 20,381.14 crore during the financial year 2012-13 to 2014-15 whereas default in case of Government deductor was ₹ 8,616.01 crore which constituted 42.3 *per cent* of total default of all tax deductors.

### 5.6 Conclusion

The amount reported by State Government AINs in Form 24G were different from the amount reported by the State AGs for the period 2012-13 to 2014-15 showing non reconciliation of G-OLTAS. There were delays in furnishing 24G by the 18,703 AIN holders. During the years 2012-13 to 2014-15, 19.3 *per cent* of total AINs allotted were inactive. Default in case of Government deductors constituted 42.3 *per cent* of the total default by all categories of deductors during the same period.

### 5.7 Recommendations

Audit recommends that

- a. The CBDT may ensure the reconciliation of tax payments reported by State Accountants General (AGs) and the TDS reported by the AIN holders through Form 24G.

<sup>17</sup> On account of short payment, short deduction, interest on payment default, interest on deduction default, late filing fee and interest under section 220(2)

*The CBDT stated (December 2016) that the observations have been taken note of and appropriate analyses of this area will be carried out at CPC level to generate actionable information for field formations.*

- b. The CBDT may take steps for better compliance in filing of Form 24G by the AIN holders so as to enable the DDOs to file the quarterly statements in time.

*The CBDT stated (December 2016) that delays in filing form 24G have to be pursued by respective TDS unit. However, CPC will provide necessary data or such other support as may be required by AOs to carry out this task.*

- c. The ITD may review the reasons for inactive AINs holders and remove those who are no longer performing the function of Accounts Officer for better monitoring of submission of Form 24G.

*The CBDT stated (December 2016) that the observations have been taken note of and all possible steps will be taken in this regard.*

New Delhi  
Dated 25 January 2017

  
(Sanjay Kumar)  
Principal Director (Direct Taxes)

Countersigned

New Delhi  
Dated 25 January 2017

  
(Shashi Kant Sharma)  
Comptroller and Auditor General of India

