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TDS & COMPLIANCE CHECKLIST

Quarterly TDS (Form 26Q) and Form 16A Checklist

A practical, quarter-by-quarter checklist for hospital finance teams to file Form 26Q cleanly and issue every consultant a valid Form 16A on time.

Deduction is only half the job

Deducting TDS on consultant fees is the first half. The deduction has to be reported to the government through a quarterly return, and for professional fees under Section 194J that return is Form 26Q. Filing it correctly is what turns your withholding into a credit the consultant can actually claim.

What Form 26Q covers

Form 26Q is the quarterly statement for TDS on payments other than salary. For a hospital, that means professional fees paid to visiting consultants, rent, contractor payments, and similar non-salary deductions. Each deduction is reported against the deductee's PAN, the section under which it was deducted (194J for professional fees), and the date and amount.

Due dates and the penalty clock

The return is due quarterly, shortly after each quarter ends. Miss the deadline and a late-filing fee under Section 234E accrues for every day of delay, capped at the TDS amount itself. The clock is automatic and unforgiving, so a filing calendar is not optional.

Quarter	Period	26Q due date
Q1	April to June	31 July
Q2	July to September	31 October
Q3	October to December	31 January
Q4	January to March	31 May

> **234E IS PER DAY**
>
> The late-filing fee accrues for every single day past the due date until you file, capped at the total TDS in the return. A return filed a week late on a large quarter is an expensive oversight.

Mapping consultant payments to 26Q

The reconciliation that breaks most hospitals is matching what was actually paid and deducted during the quarter to what appears in the return. Every consultant payout in the quarter must surface in 26Q with the right PAN, the right section (194J), and a deduction that ties back to your books. If your payout system and your TDS return are two separate spreadsheets, errors are inevitable.

PAN errors: the most common 26Q defect

An invalid, missing, or mismatched PAN is the most common 26Q defect. Where a valid PAN is not available, TDS must be deducted at the higher rate of **20%**, and a wrong PAN means the consultant cannot see the credit in their Form 26AS. Validate every PAN before the quarter closes, not while you are filing.

> **THE HIDDEN COST**
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> A wrong PAN in 26Q does not just cause a notice. It means your consultant never receives the TDS credit, even though you withheld the money. That is the fastest way to destroy trust with a high-value consultant.

Generating Form 16A from filed returns

Form 16A, the TDS certificate the consultant attaches when filing their ITR, is generated from the filed 26Q via TRACES. You cannot issue a valid Form 16A for a quarter you have not filed, so timely 26Q filing directly enables your consultants to claim their credits. Issue the certificates promptly each quarter rather than in a year-end rush.

Where Section 197 fits

If a consultant holds a valid Section 197 certificate for lower or nil deduction, the reduced rate must be applied within the certificate's validity window, and the certificate number reported in 26Q against that consultant. When the certificate expires, revert to the standard 10% automatically so the next quarter's return is correct.

> *A flawless 26Q is mostly a data-quality exercise. Get the PANs and the payouts right during the quarter and filing becomes a formality.*
>
> ConsultPro Compliance Guide

10%	₹30,000	234E
194J STANDARD RATE	ANNUAL THRESHOLD	LATE-FILING SECTION

Your clean-filing checklist

Run this list every quarter, in order, before you file. Most defects are caught here, not at the portal.

- [ ] Validate every consultant PAN before the quarter closes.
- [ ] Reconcile all 194J payouts in the quarter to your TDS ledger.
- [ ] Confirm the challans for TDS deposited match the deductions reported.
- [ ] Apply any Section 197 certificate at the correct reduced rate.
- [ ] Flag any payee deducted at 20% for a missing or invalid PAN and chase the PAN.
- [ ] File Form 26Q before the quarter's due date.
- [ ] Generate Form 16A from TRACES once the return is processed.
- [ ] Hand each consultant their Form 16A promptly, not at year end.

Turn filing from a fire drill into a routine

Form 26Q rewards discipline during the quarter and punishes scrambling at the deadline. Keep payouts, deductions, and PANs clean as you go, and the quarterly filing stops being a fire drill and becomes a routine close.

Keep every deduction filing-ready

ConsultPro records each 194J deduction against the right PAN as you pay, then exports a clean 26Q dataset every quarter. Start your free 14-day trial at **consultpro.in.net**.

This checklist is general information for hospital finance teams and is not tax or legal advice. Due dates, rates, and the Section 234E late-filing fee are stated as commonly applied for non-salary TDS under Section 194J. Confirm current provisions with a qualified tax professional before filing.