

GOVERNMENT OF ODISHA
FINANCE DEPARTMENT

Memo No.FIN-CT1-TAX-0045-2017 30797 /F, Dated 25.09.2018

To,

All Departments of Government,
All Heads of Department

Sub: Guidelines for Deductions and Deposits of TDS by the DDO under GST.

Section 51 of the Odisha GST Act 2017 provides for deduction of tax by the Government Agencies (Deductor) or any other person to be notified in this regard, from the payment made or credited to the supplier (Deductee) of taxable goods or services or both, where the total value of such supply, under a contract, exceeds two lakh and fifty thousand rupees. The amount deducted as tax under this section shall be paid to the Government by deductor within ten days after the end of the month in which such deduction is made along with a return in FORM GSTR-7 giving the details of deductions and deductees. Further, the deductor has to issue a certificate to the deductee mentioning therein the contract value, rate of deduction, amount deducted etc.

2. The subject section which provides for tax deduction at source was not notified to come into force with effect from 1st July, 2017, the date from which GST was introduced. Government of Odisha has recently notified that these provisions shall come into force w.e.f. 1st October, 2018; vide Finance Department Notification No. 29890-FIN-CT1-TAX-0043/2017 dated 18th September, 2018.

3. In order to comply with the provisions of the said Act for TDS, the following steps are required to be taken:-

- A. Registration as Tax Deductors in the GST common portal
- B. Deduction of TDS amount as per the provisions from the bills to be paid to the suppliers/deductees
- C. Deposit the TDS amount in to appropriate government account(s)
- D. File Tax Returns for TDS within the prescribed time limit

4. As per Section 51 of the Act, the following entities are required to do TDS and thus are required to get them registered as Tax Deductors under Section 24 (vi) of the said Act:-

- (i) Central and State Government Departments / Establishments (e.g. Departments, Heads of Departments, Collectorates, other sub-ordinate / field offices etc.)
- (ii) Local Authority (e.g. Municipalities, Panchayati Raj Institutions etc.)
- (iii) Government Agencies (e.g. DRDA, ITDA etc.)
- (iv) An Authority / Board / Any other Body set up by an Act of Parliament / State Legislature or established by any Government with fifty-one percent or more participation by way of equity or control to carry out any function
- (v) Society established by Central Government or State Government or a Local Authority under Societies Registration Act, 1860 (21 of 1860)
- (vi) Public Sector Undertakings (Central and State) (e.g. OMC, OPGC etc.)

Registration:

5. For Registration as Tax Deductor, the following are required:

- (i) TAN / PAN of the entity
- (ii) Proof of Address of the place of the entity (Any proof issued by Government authority / by Local Authority / Municipal Khata Copy / Electricity Bill / Legal Ownership Document / Rent or Lease Agreement etc.) -- to be uploaded
- (iii) PAN of the DDO (or Authorised Signatory)
- (iv) Photograph of the DDO (or Authorised Signatory) -- to be uploaded
- (v) Aadhar Card / Digital Signature Certificate (DSC) of the DDO (or Authorised Signatory)
- (vi) Valid email ID (preferably official email ID) of the DDO (or Authorised Signatory)
- (vii) Mobile Phone Number of the DDO (or Authorised Signatory)

The DDO or the Authorised Signatory is required to make an application online in GST REG 7 in the GST Common Portal on behalf of the Tax Deductor. The step by step user manual for applying for registration as Tax Deductor is available in the portal of the Commissionerate of CT& GST Odisha.

6. After the application is successfully submitted by the applicant, the same would be disposed of by the respective jurisdictional officer. Once the application is approved, the DDO (or Authorised Signatory) will receive the GST Number in the given email ID along with the initial password.

7. The Tax Deductor is required to deduct TDS amount from the payment to be made to the Supplier / Deductee at the rate of 2% (i.e. 1% Odisha GST + 1% Central GST in case of Intra-State Supply and 2% IGST in case of Inter-State Supply). Once such deduction is made by the Tax Deductor, the TDS amount is required to be deposited by the Tax Deductor in the Government account (OGST / CGST / IGST, as the case may be) within 10 days from the end of the month in which the deduction is made.

8. There are various kinds of office establishments relating to the frequency of deduction of TDS and the modalities for disbursement of payments to deductees / suppliers.

a) Government entities drawing and disbursing by raising bills through the Treasury using IFMS, where the number of TDS deduction cases are not very high (e.g. Departments / Heads of Departments / Subordinate offices etc.)

b) Government entities drawing and disbursement by issuing e-Cheques through IFMS, where the number of TDS deduction cases are considerably high (e.g. Works Divisions, Forest Divisions etc.)

c) Government entities where drawal and disbursement is not made through IFMS and payment is made through Banks (e.g. OPEPA, NRHM etc.)

In view of the above differences in nature of drawal and disbursement, the process for deduction of TDS and remittance has been distinctively prescribed for them as under:

Deduction & Deposit of TDS:

a) Deduction and Deposit process for DDOs drawing from Treasuries through Bills:

Individual Bill-wise Deduction and its Deposit of TDS will be made by the DDOs drawing their claims from Treasuries. DDOs will have to generate CPIN (Challan) from GST portal in respect of TDS deducted from the Bill. In this regard, the following process will be adopted:

(i) The DDO shall prepare the Bill based on the Expenditure Sanction. The Expenditure Sanction shall contain

(a) Total amount,

(b) net amount payable to the Contractor/Supplier/Vendor and

(c) 2% TDS amount of GST.

(ii) The DDO shall login into the GST Portal and generate the CPIN (Challan). In the challan he shall have to fill in the desired amount of payment against one/many Major Head(s) (OGST/CGST/IGST) and the relevant component (e.g. Tax / Interest / Penalty / Fees, as the case may be) under each of the Major Head.

(iii) While generating the challan, the DDO will have to select mode of payment as NEFT and select "Reserve Bank of India – PAD" as the remitting Bank.

(iv) In the Bill to be prepared in IFMS by the DDO, it may clearly be indicated:

- a. the net amount payable to the Supplier / Deductee; and
- b. 2% as TDS (1% Odisha GST + 1% Central GST or 2% IGST) will be specified.
- c. Deduction of TDS should not be in fraction of rupees and the calculated value should be next higher rupee.

(v) At the time of submission of bill, the DDO will enter the beneficiary account details of the vendor/supplier/contractor as the case may be for payment of the net amount to his/her Bank account. For remittance of TDS deducted from the Bill, DDO will have to mention the CPIN Number (as beneficiary's account number), RBI (as beneficiary) and the IFSC Code of RBI with the request to payment authority to make payment in favour of RBI. The details of remittance Bank i.e. RBI and the IFSC code will be auto-populated into the challan created from GST Portal.

(vi) IFMS Odisha has also been customized to facilitate remittance of GST deducted from the Bill. From the DDO Interface of IFMS, he/she will select "GST TDS" from the list of "Beneficiary Type" available in the Beneficiary Master. This will enable IFMS to auto populate the IFS Code of RBI for facilitating NEFT of TDS to GST Account.

(vii) Subsequently, DDO will enter the CPIN Number generated from the GST Portal in respect of the TDS particular of the Bill in the space provided recording the Bank account details of the beneficiary in the "Beneficiary Master" and select

the same in the beneficiary list of that particular bill using the DDO Interface in IFMS.

(viii) Upon successful payment, a CIN will be generated by the RBI and will be shared electronically with the GST Portal. This will get credited in the Electronic Cash Ledger of the concerned DDO / Tax Deductor in the GST Portal. This can be viewed and the details of CIN can be noted by the DDO anytime on GST portal using his Login credentials.

(ix) The DDO should maintain a Register as per proforma given in Annexure 'A' to keep record of all TDS deductions made by him during the month. This Record will be helpful at the time of filing Monthly Return (FORM GSTR-7) by the DDO. The DDO may also make use of the offline utility available on the GST Portal for this purpose.

(x) The DDO shall generate TDS Certificate through the GST Portal in FORM GSTR-7A after filing of Monthly Return.

b) Deduction and Deposit process for FA & CAOs / Public Works & Forest divisions and P.L. Administrators using e-Cheque facility of IFMS:

Bunching of deductions and its deposit by the DDO

DDOs who make large number of payments in a month may find it difficult to generate challan for obtaining the CPIN for individual Work/Supply Bill for remittance of TDS. Such DDOs may exercise the following option, wherein the DDO will have to deduct the TDS from each bill, for keeping it under a Suspense Head. However, deposit of this bunched amount from the Suspense Head can be made on a weekly, monthly or any other periodic basis. The following process shall be adhered by the DDO in this regard:

(i) The DDO shall prepare the Bill based on the Expenditure Sanction. The Expenditure Sanction shall contain (a) Total amount, (b) net amount payable to the Contractor/Supplier/Vendor and (c) 2% TDS amount of GST.

(ii) The DDOs of FA & CAOs/ Public Works Divisions shall prepare the bill on WAMIS and make payment of bunched TDS from the Suspense Account using IFMS.

(iii) The DDOs of Forest Divisions and P.L. Administrators, who are preparing the bill manually, will use IFMS for remittance of TDS.

(iv) In the Bill, it will be specified

(a) the net amount payable to the Suppliers / Deductee; and

- (b) 2% as TDS(1% Odisha GST + 1% Central GST or 2% IGST)
- (c) Deduction of TDS should not be in fraction of rupees and the calculated value should be next higher rupees.
- (v) The TDS amount shall be mentioned in the Bill for booking in the Suspense Heads as below:
- 8658 – Suspense-00-101-PAO Suspense-9161-Odisha Goods and Services Tax (OGST)-91196-Adjustment of PAO Suspense
 - 8658 – Suspense-00-101-PAO Suspense-9162-Central Goods and Services Tax (CGST)-91196-Adjustment of PAO Suspense
 - 8658 – Suspense-00-101-PAO Suspense-9163-Integrated Goods and Services Tax (IGST)-91196-Adjustment of PAO Suspense
- (vi) The DDO will be required to maintain the Record of the TDS so being booked under the Suspense Head so that at the time of preparing the CPIN for making payment on weekly/monthly or any other periodic basis, the total amount could be easily worked out.
- (vii) At any periodic interval, when DDO needs to deposit the TDS amount, he will prepare the CPIN on the GST Portal for the amount (already booked under the Suspense Heads). He/she is required to generate separate CPIN for TDS deducted and kept in the Suspense Account respectively for OGST, CGST & IGST.
- (viii) While generating the CPIN, the DDO will have to select mode of payment as NEFT and select “Reserve Bank of India – PAD” as the remitting Bank.
- (ix) The DDO shall prepare the bill for the bunched TDS amount for payment using the e-Cheque facility of IFMS Portal by the concerned payment authority. In the Bill, the DDO will give reference of all the earlier paid bills from which 2% TDS was deducted and kept in the suspense head. The DDO may also attach a certified copy of the record maintained by him in this regard.
- (x) The payment authority will pass the bill by clearing the Suspense Head operated against that particular DDO after exercising necessary checks.
- (xi) For remittance of TDS using IFMS, DDO will have to mention the CPIN Number (as beneficiary’s account number), RBI (as beneficiary) and the IFSC Code of RBI with the request to payment authority to make payment in favour of

RBI. The details of remittance Bank i.e. RBI and the IFSC code will be auto-populated into the challan created from GST Portal.

(xii) IFMS Odisha has also been customized to facilitate remittance of GST deducted from the Bill. From the DDO Interface of IFMS, he/she will select GST TDS from the list of “Beneficiary Type” available in the Beneficiary Master. This will enable IFMS to auto populate the IFS Code of RBI for facilitating NEFT of TDS to GST Account.

(xiii) Subsequently, DDO will enter the CPIN Number generated from the GST Portal in respect of the TDS particular of the Bill in the space provided recording the Bank account details of the beneficiary in the “Beneficiary Master” and select the same in the beneficiary list of that particular bill using the DDO Interface in IFMS.

(xiv) Upon successful payment, a CIN will be generated by the RBI/Authorized Bank and will be shared electronically with the GST Portal. This will get credited in the Electronic Cash Ledger of the concerned DDO in the GST Portal. This can be viewed and the details of CIN can be noted by the DDO anytime on GST portal using his Login credentials.

(xv) The DDO should maintain a Register as per proforma given in Annexure ‘A’ to keep record of all TDS deductions made by him during the month. This Record will be helpful at the time of filing Monthly Return (FORM GSTR-7) by the DDO. The DDO may also make use of the offline utility available on the GST Portal for this purpose.

(xvi) The DDO shall generate TDS Certificate through the GST Portal in FORM GSTR-7A after filing of Monthly Return.

c) Deduction and Deposit process for Agencies, Board, Societies, State Public Sector Undertakings, Local Authorities & other organizations of State Government using Bank account for payment:

For payment process of Tax Deduction at Source under GST by the Agencies, Board, Societies, State Public Sector Undertakings, Local Authorities & other organizations of State Government using Bank account, two options can be followed, which are as under:

Option I: Generation of challan for every payment made during the month

Option II: Bunching of TDS deducted from the bills on weekly, monthly or any periodic manner

Option I – Individual Bill-wise Deduction and its Deposit by the DDO

09. In this option, the DDO will have to deduct as well as deposit the GST TDS for each bill individually by generating a CPIN (Challan) and mentioning it in the Bill itself.
10. Following process shall be followed by the DDO in this regard:
- (i) The DDO shall prepare the Bill based on the Expenditure Sanction. The Expenditure Sanction shall contain (a) Total amount, (b) net amount payable to the Contractor/Supplier/Vendor and (c) 2% TDS amount of GST.
 - (ii) The DDO shall login into the GST Portal and generate the CPIN (Challan). In the challan he shall have to fill in the desired amount of payment against one/many Major Head(s)(OGST/CGST/IGST)and the relevant component (e.g. Tax / Interest / Penalty / Fees, as the case may be) under each of the Major Head.
 - (iii) While generating the CPIN, the DDO will have to select mode of payment as either (a) NEFT/RTGS or (b) OTC. In the OTC mode, the DDO will have to select the one of the authorised Banks where the payment will be deposited through OTC mode.
 - (iv) In the Bill,
 - a. the net amount payable to the Supplier / Deductee; and
 - b. 2% as TDS (1% Odisha GST + 1% Central GST or 2% IGST) will be specified
 - c. Deduction of TDS should not be in fraction of rupees and the calculated value should be next higher rupee.
 - (v) In case of NEFT/RTGS mode, the DDO will select the remitting bank details from the available list in GST portal and generate the challan with the NEFT / RTGS mandate form. The challan along with the mandate form will have to be submitted at the remitting bank for transfer of the TDS amount to RBI, as in case of normal GST payment.
 - (vi) In case of the OTC mode, the DDO will have to issue cheque in favour of one of the 25 authorized Banks. The Cheque may then be deposited along with the challan with any of branch of the authorized Bank so selected by the DDO.
 - (vii) Upon successful payment, a CIN will be generated by the Authorized Bank and will be shared electronically with the GST Portal. This will get credited in the electronic

Cash Ledger of the concerned DDO in the GST Portal. This can be viewed and the details of CIN can be noted by the DDO anytime on GST portal using his Login credentials.

(viii) The DDO should maintain a Register as per proforma given in Annexure 'A' to keep record of all TDS deductions made by him during the month. This Record will be helpful at the time of filing Monthly Return (FORM GSTR-7) by the DDO. The DDO may also make use of the offline utility available on the GST Portal for this purpose.

Option II - Bunching of deductions and its deposit by the DDO

11. Option-I may not be suitable for DDOs who make large number of payments in a month as it would require them to make large number of challans during the month. Such DDOs may exercise this option wherein the DDO will have to deduct the TDS from each bill, for keeping it under a Suspense account. However, deposit of this bunched amount from the Suspense account can be made on a weekly, monthly or any other periodic basis.

12. Following process shall be followed by the DDO in this regard:

(i) The DDO shall prepare the Bill based on the Expenditure Sanction. The Expenditure Sanction shall contain (a) Total amount, (b) net amount payable to the Contractor/Supplier/Vendor and (c) 2% TDS amount of GST.

(ii) In the Bill, it will be specified

- a. the net amount payable to the Supplier/Deductee; and
- b. 2% as TDS (1% Odisha GST + 1% Central GST or 2% IGST)
- c. Deduction of TDS should not be in fraction of rupees and the calculated value should be next higher rupee.

(iii) The DDO will be required to maintain the Record of the TDS so being booked under the Suspense account so that at the time of preparing the CPIN for making payment on weekly / monthly or any other periodic basis, the total amount could be easily worked out.

(iv) At any periodic interval, when DDO needs to deposit the TDS amount, he will prepare the CPIN by logging into the GST Portal for the amount (already booked under the Suspense account).

- (v) While generating the CPIN, the DDO will have to select mode of payment as either (a) NEFT/RTGS or (b) OTC. In the OTC mode, the DDO will have to select the Bank where the payment will be deposited through OTC mode.
- (vi) The DDO shall prepare the bill for the bunched TDS amount for payment through the concerned payment authority. In the Bill, the DDO will give reference of all the earlier paid bills from which 2% TDS was deducted and kept in the suspense account. The DDO may also attach a certified copy of the record maintained by him in this regard.
- (vii) The payment authority will pass the bill by debiting the Suspense account operated against that particular DDO after exercising necessary checks.
- (viii) In case of NEFT/RTGS mode, the DDO will select the remitting bank details from the available list in GST portal and generate the challan with the NEFT / RTGS mandate form. The challan along with the mandate form will have to be submitted at the remitting bank for transfer of the TDS amount to RBI, as in case of normal GST payment.
- (ix) In case of the OTC mode, the DDO will have to issue cheque in favour of one of the 25 authorized Banks. The Cheque may then be deposited along with the CPIN with any of branch of the authorized Bank so selected by the DDO.
- (x) Upon successful payment, a CIN will be generated by the Authorized Bank and will be shared electronically with the GST Portal. This will get credited in the electronic Cash Ledger of the concerned DDO in the GST Portal. This can be viewed and the details of CIN can be noted by the DDO anytime on GST portal using his Login credentials.
- (xi) The DDO should maintain a Register as per proforma given in Annexure 'A' to keep record of all TDS deductions made by him during the month. This Record will be helpful at the time of filing Monthly Return (FORM GSTR-7) by the DDO.
- (xii) The DDO may also make use of the offline utility available on the GST Portal for this purpose.

Monthly Return to be filed by DDOs / Tax Deductors:

13. Once the Tax Deductor makes the deposit of the TDS amount to respective government account successfully, the same would be updated in the Electronic Cash Ledger of the Tax Deductor as credit entry(s). This will be required to set off the liability created by filing the TDS

return by the Tax Deductor. It is suggested that in order to be able to file the tax return in time, the deposit should be made before filing the tax return.

14. The Tax Deductors are required to file monthly tax return for TDS online in GST Common Portal. The TDS returns are to be filed by 10th of the succeeding month in which the deduction is made. The tax returns can be filed online by logging into the GST Portal or by using the offline tool available in the GST portal. The step-by-step user manual for filing returns (both online and offline) are available in the in the portal of the Commissionerate of CT & GST Odisha.

Training & Support:

15. Departments should instruct all its DDOs under them to follow the above procedure for registration, deduction, deposit and return filing of TDS. To familiarize and help the State Government organizations in registration as Tax Deductor in GST portal, deduction, deposit of TDS and filing of returns, Commissionerate of CT & GST, Odisha through the Circles offices will provide necessary training and support in coordination with the local Treasury Officers.

16. Difficulty, if any, in implementation of this circular may please be brought to the notice of Finance Department.



Additional Chief Secretary to Government

Finance Department

Record to be maintained by the DDO for filing of GSTR7

Sl. No.	GSTIN of the Deductee	Trade Name	Amount paid to the Deductee on which tax is deducted	Integrated Tax	Central Tax	State Tax	Total

Memo No. 30798 /F;

Date. 25.09.2018

Copy forwarded to the Commissioner of Commercial Taxes & GST, Odisha, Cuttack for information and necessary action.



Additional Secretary to Government

Memo No. 30799 /F;

Date. 25.09.2018

Copy forwarded to the Director of Treasuries & Inspection, Odisha for information and necessary action.



Additional Secretary to Government

Memo No. 30800 /F;

Date. 25.09.2018

Copy forwarded to Joint Secretary (Revenue) Department of Revenue, Ministry of Finance, Government of India, New Delhi for information. **Email-** jsrev@nic.in



Additional Secretary to Government

Memo No. 30801 /F;

Date. 25.09.2018

Copy forwarded to the Chief Commissioner, GST & Central Excise, Central Revenue Building, (GST Bhawan), Rajaswa Vihar, Near Vani Vihar, Odisha, Bhubaneswar, PIN-751007 for information.



Additional Secretary to Government

Memo No. 30802 /F;

Date. 25.09.2018

Copy forwarded to all officers/ all branches of Finance Department for information and necessary action.



Additional Secretary to Government