

FAX	EMAIL	WEB	SMS
RP	SP	OP	LOCAL
e-Despatch			

ODISHA STATE CIVIL SUPPLIES CORPORATION LTD
C/2, NAYAPALLI, BHUBANESWAR-12

File No. OSCSC/VAT/15/16-17 No. 17385 Date 5-11-18



OSCSC Ltd.
Corporate Office

From **Kamrup Mahanandia, OFS (SAG),**
Financial Advisor & Chief Accounts Officer,

To **The All CSO-cum-District Managers,**
OSCSC Ltd.

Sub: **Clarifications on TDS on GST w.e.f. 1st October, 2018.**

Ref: **This office letter No.16418, dt.10.10.2018.**

Sir,

In continuation to this office letter under reference on the subject cited above, I am to inform you that TDS under GST is totally different from TDS under Income Tax Act, 1961. There is no connection between these two TDS, as both are governed by two different Laws. TDS under GST is governed by GST Act, whereas TDS on Income Tax is governed by Income Tax Act, 1961. So, we have to deduct TDS twice, one is TDS under GST @ 2% on taxable amount (on which GST is levied by the supplier or Service Provider) and other one is TDS under Income Tax as per Income Tax Rules.

For Example a supplier submits bill as given below.

Bill Amount	Rs. 400000
Taxable amount	Rs. 300000 (Milling charges for Instance)
GST @ 5%	Rs. 15000
Total bill amount	Rs. 315000

Now, while making payment for bill it is required to deduct TDS under GST @ 2% on Taxable amount (excluding GST amount) i.e Rs.6000 (2% on Rs 300000). Further TDS under Income Tax as specified under Income Tax Rules shall deducted as below.

Bill amount	Rs. 400000
GST @ 5%	Rs. 15000
Total bill amount	Rs. 415000
Less: TDS under GST (@ 2 % of 300000)	Rs. 6000
Less: TDS under Income Tax (@ 1% of Rs.400000)	
(Assumed proprietorship)	Rs. 4000
Net payment	Rs. 405000

TDS under GST (Rs.6000 in above example) will be deposited centrally at Head Office, as per your monthly return. But TDS on Income Tax shall be deposited by district office as usual.

P.T.O.

Similarly, wherever District Office purchases taxable goods or services under GST, TDS on GST is to be deducted on the taxable amount. Please note that TDS on GST is to be deducted from payments made w.e.f 01.10.2018 on Taxable goods or services irrespective of date of supply of goods/ services or date of submission of bill.

TDS under GST is applicable where payment made or credited to supplier on supply of goods or service or both and where value of supply/ bill exceed Rs.2.5 lakhs per annum. For simple understanding we have to deduct TDS under GST on every bill @ 2% on taxable amount where GST is levied/ charged to avoid future compliacations.

TDS on GST is to be deducted even if we are not reimbursing/paying the GST amount to the supplier. There is no relation between deduction of TDS on GST and payment of GST amount to supplier.

Yours faithfully,


**Financial Advisor &
Chief Accounts Officer**

Memo No. 17386 Date 5-11-18

Copy to General Manager (Admn.), OSCSC Ltd., Bhubaneswar for information and necessary action.


**Financial Advisor &
Chief Accounts Officer**