# Tax Deducted at Source (TDS)

## Introduction

**Tax Deducted at Source (TDS)** is a means of collecting income tax in India, under the Indian Income Tax Act of 1961. Any payment covered under these provisions shall be paid after deducting a prescribed percentage. It is managed by the Central Board for Direct Taxes (CBDT) and is part of the Department of Revenue managed by Indian Revenue Service.

It has a great importance while conducting tax audits. Assessee is also required to file quarterly returns to CBDT. Returns states the TDS deducted & paid to the government during the Quarter to which it relates.

## Module Information

| Technical Name | Version | Dependency | Description |
|---|---|---|---|
| l10n_in_tds | 13.0.1.0 | base, account | TDS for Companies registered in India to manage TDS on Vendor bills and G/L posting. |

## Usage

- To maintain the list of Vendors for whom TDS is applicable.
- Deduct TDS amount on validation on Vendor Bill.
- Generate TDS reports and use the data for filing TDS on the government portal.
- Know the TDS payable amount for a specific period.

## Configuration

The following set of items to be configured to use the TDS module,

1. TDS G/L Account
2. TDS Sections
3. Define TDS for a Vendor

## TDS G/L Account

Odoo automatically creates a G/L account for TDS while installing the Indian Accounting module. Additional G/L accounts can be created for this as required.
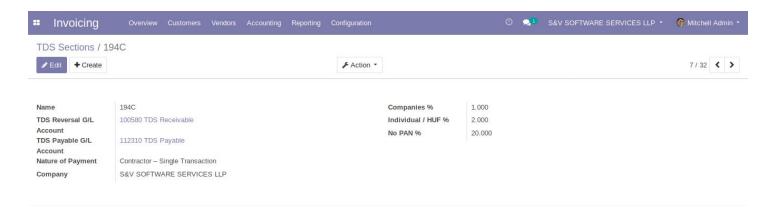
## TDS Sections

Standard set of TDS sections will be pre-loaded while installing this module. This includes the nature of payment, percentage of TDS for different types, Company, Individual and no PAN number cases.

TDS sections can be accessed under the menu, *Invoicing > Configuration > TDS > Sections*.

| Field | Description |
|---|---|
| Name | Name of the TDS section |
| Nature of Payment | Nature of the payment for which the TDS section is applicable |
| TDS Payable G/L Account | TDS account to be used on Vendor Bill |
| TDS Reversal G/L Account | TDS account to be used on Debit Note (Ask for Credit Note option) |
| Company | Company to which the TDS section is associated |
| Companies % | Percentage of TDS to be deducted for Companies |
| Individual / HUF % | Percentage of TDS to be deducted for Individual / HUF |
| No PAN% | Percentage of TDS to be deducted when the Vendor did not disclose the PAN number. |

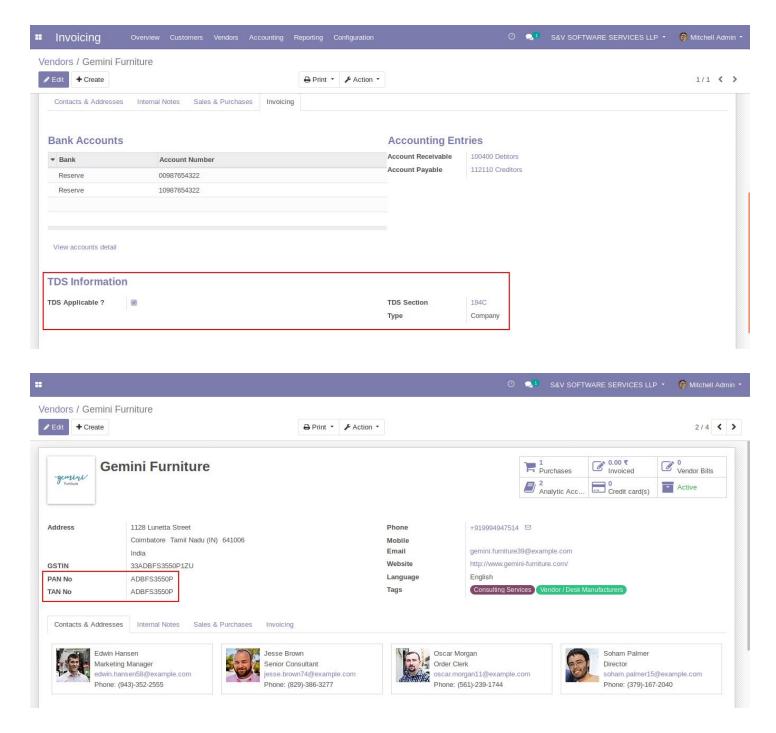| | | | |
|---|---|---|---|
| **Name** | 194C | **Companies %** | 1.000 |
| **TDS Reversal G/L Account** | 100580 TDS Receivable | **Individual / HUF %** | 2.000 |
| **TDS Payable G/L Account** | 112310 TDS Payable | **No PAN %** | 20.000 |
| **Nature of Payment** | Contractor – Single Transaction | | |
| **Company** | S&V SOFTWARE SERVICES LLP | | |

## Define TDS for a Vendor

TDS applicability can be set in the Vendor as a default setting to automatically capture in the Vendor Bills. This can be configured in the Vendor record.

★ Enter the PAN & TAN number of the Vendor in the address section of the Vendor record and next to GSTIN field.

★ Under the "Invoicing" tab, enable the checkbox "TDS Applicable?" when TDS needs to be deducted for the Vendor.

★ Now, select the applicable TDS section and Type (Company / Individual)

★ Save the record to store the TDS settings.
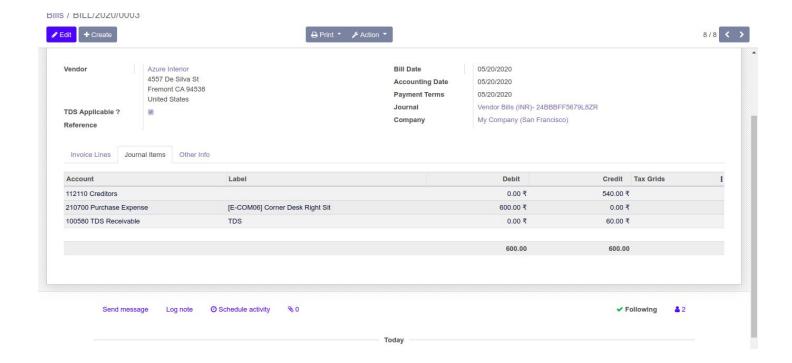
# Deduct TDS on Vendor Bill and G/L Posting

Once the TDS configuration is completed, the system is ready to deduct TDS against the Vendor Bill for the applicable Vendors.

To deduct TDS,

★ Create a Vendor Bill and choose the Vendor.

★ The system will automatically capture the TDS configurations at this point.

★ While selecting a Product line, the system will automatically capture the TDS section and calculate the TDS amount.

★ It is also possible to change the TDS section at the Invoice Lines, depending on the nature of the transaction which can happen in certain cases.

★ The details of TDS amount will be available in the line items as well as in the total section.

★ Validate the Vendor Bill to post the TDS amount to the corresponding G/L account.

★ Reversing a Vendor Bill (Debit Note) will also reverse the TDS amount.

## TDS Register

A TDS register tree view report is accessible under the menu, Invoicing -> Reporting -> TDS Register.

This data can be exported to an Excel or CSV file and it can be used to analyse and file TDS on the government portal.

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