



Federation of National Postal Organisations

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SIVAJI VASIREDDY

Secretary General

No.GST/Returns/Accounts/2023-24

Date:30.01.2024

To
Sri Vineet Pandey,
Secretary Posts &
Chairman Postal Services Board,
Dak Bhawan,
NEW DELHI - 110 001

Respected Sir,

Sub: - Issues Related to GST-Pensions-TDS Filing –Regd.

The matter pertains regarding various Show Cause Notices issued from GST Department to various HO/DDOs for the Tax Period from 01-07-2017 to 31.03.2022 from Directorate General of GST Intelligence, Chandigarh Zonal Unit and similarly from other GST Authorities Across India. The DA(P)s, Circle Offices/Regional Offices/Divisional Offices simply redirecting the cases to defend at DDO Level. In many cases the Cases have been defended at DDO Level only.

Postal Directorate, New Delhi (PAF Wing) issued an SOP on 08-05-2022 regarding “GST under RCM on Incentive Payable to the Sales Force of PLI/RPLI”. The said SOP was circulated vide Postal Directorate; New Delhi letter dated 02.09.2022. Accordingly, in compliance of orders of Postal Directorate, New Delhi action was taken to pay pending RCM of PLI Incentive from 01-07-2017 to 31-08-2022 and the whole pending amount was paid at most of HOs during Number 2022 month. As the amount for the last three financial years is deposited during November 2022 due to lack of awareness and issuance of SOP at very late stage, GST Department is imposing huge penalties on all DDOs Whereas no fault of DDO is in this case.

However, after it RCM is paid regularly as and when it became admissible on payment of incentive to sales forces.

Postal Directorate, New Delhi vide their letter dated 06-10-2023 also asked information w.r.t. above mentioned Show Cause Notice 85/2023-GST to 914/2023-GST (DIN 202309DNN300009479FB) dated 29.09.2023. They also mentioned that rep of Postal Directorate will appear at GST authorities to justify GST payments and waiver of demanded interest and penalty on short payments.

In spite of it repeated notices are received at DDO level and if any DDO fails to respond these notices huge penalties and interest are imposed on DDOs without any fault.

Except our Department, DDO post is occupied by at least a Gazetted Officer in all Departments. In our department role of DDO is played by a Postal Assistant only without any formal training or knowledge. Post of Postmaster of HO is HSG-1 post and most of them at least 90% are laying vacant and work is being managed by a Postal Assistant.

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(i) Centralized GST Payments.

A single GSTIN number may be registered at Circle/PAN India level as well as TAN Number which may be used by the cell for filing of GST/TDS returns respectively. GST Cell may be established at DAP/Circle level and headed by Accounts Officer and supported by some subordinate staff. Presently, 37 GST returns (Three GST Returns on monthly basis and one yearly GST return) are filed by each HO in a year. This work needs specialization; therefore it is filed through CA and each HO at least paying approximately 1 Lakh rupees for this work per year. Most of Postmasters of HO are not having adequate knowledge of GST Act provisions as well as this work needs fixed time frame laid down by CBDT and CBEC. Every DDO will send a consolidated list of Input Tax Credit along with vouchers for availing the ITC by the cell. Filing of single GST return on similar lines of BSNL may be considered as it will lead filing of GST returns at single point instead of each HO level. Making of availability of knowledgeable staff with regards to GST Act at each HO is quite difficult; however, processing of this work through trained staff at single point is easy. Making of GST payments centrally will not only economize the process compared to the present system but also lead makes return filing error free.

In the present system of GST payment, proper and full ITC (Input Tax Credit) of GST is not being claimed. For ex. procurement of goods/services is being done at (HO) Circle level, RO Level or Divisional Level and payment for these procurements made at Single HO level (HO). Sometimes, GST ITC (Input Tax Credit) is more than GST collection (GST output) amount and whereas in other HO (HO) ITC (Input Tax Credit) is Nil and collection (GST output) is large amount. In such case HO is not able to take full credit of ITC (Input Tax Credit) and HO is paying unnecessary GST amount (GST Output). If this GST payment is done at centralized level at Circle Level, then full ITC (Input Tax Credit) of GST will be available and Department will not pay unnecessary part of GST amount (GST Output).

(ii) Central Pension Processing Cell (CPPC).

Presently, pension payments are being done by all HOs. The erstwhile system of pension payment was established when the pension payment was done in cash. At present all pension payments are being made through POSB Accounts only. Therefore, on similar lines like State Bank of India, other Banks, PCDA Allahabad (Defence Pension Cell), Telecom Department, Central Pension Processing Cell of Department of Posts may be established at each Circle level. In present system, audit of pension payments are being made after 2-3 years of payment and sometimes when recovery arisen for overpayment of pension, pensioner has been found expired. After establishing of Central Pension Processing Cell (CPPC) at each Circle level, all pension payments will be made after pre-audit and will be error free. All pension payments and related fixations of pensions and other pension related problems of the all pensioners may be made under a single point of contact. It will also lead to spare manpower at all HOs. Each such CPPC may be handled by a Accounts Officer (AO) and some operative clerical staff.

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(iii) Filing of Income Tax Returns (Form 24 Q) of TDS Centralized. (TDS return for employees/Pensioners)

Presently each DDO file 24Q TDS return quarterly basis through CA and it costs approx Rs. One lakh every year per HO. This work also need specialization of knowledge on the subject. Instead of this, a TDS Cell may be established to file the 24Q TDS return. The cell should have power to extract the details of TDS along with Income of each employee on monthly and yearly basis as well as GL reports of TDS for filing the 24Q TDS return. Every DDO will send the detail report of TDS in respect of their employees to the Cell for cross verification. The necessary software modification for a centralize filing of TDS return PAN India level to be done by CEPT.

(iv) Filing of Section 194A, 194EE, 194H of Income Tax Returns (Form 26 Q) of TDS Centralized. (26Q return for TDS deducted from customers)

The cell should have power to extract the GL reports of TDS for filing the 26Q TDS return. The cell should have power to extract all TDS figures of Agent Commission/SCSS Interest/NSS Interest etc. in finacle for all SOL IDs of the Division and as well as GL reports of TDS for filing the 26Q TDS return. Every DDO will send the detail report of TDS in respect of contractor payment/ PLI payment/Rent payment etc. on monthly basis to cell for filing the same to Tax Department.

Each HO is paying approximately one lakh rupees for filing GST/24Q/26Q returns per year. Besides that many penalties are also imposed by GST/Income Tax authorities due to non-filing, delayed filing or non following prescribed regulatory provisions.

As all the GST/TDS related data are available in centralize software i.e. CSI/Finacle/McCamish, filing centralized return for all HOs will save crores of rupees for the Department but also avoid any chances of delayed/improper filing of GST/TDS returns. Existing and Proposed work structure of DDO at HO level.

Sl. No.	Existing	Proposed
1	Payment of Pay and Allowances of all employees under his jurisdiction.	At DDO level
2	Payment of All types of personal claims of all the employees under his jurisdiction.	At DDO level
3	Payment of pension to all the pensioners as per PPO received form DAP Office.	Centralized (Circle Level)
4	Calculation and deduction of Income Tax of all employees as per Salary of the all employees.	At DDO level
5	Calculation and deduction of Income Tax of all Pensioners as per Pension details.	At DDO level
6	Maintenance and updating of Service Books of all the employees under his jurisdiction	Centralized (Circle Level)
7	Maintenance and updating of PPOs of all the Pensioners under his jurisdiction.	Centralized (Circle Level)

8	Filing of Income Tax return under Section 194A, 194EE, 194H, 194C, 194I, 194N, 194D of Income Tax Returns (Form 26 Q).	Centralized (PAN India level)
9	Filing of Income Tax return under Section 192 (Form 24Q)	Centralized (PAN India Level)
10	Bank Reconciliation work.	At DDO level
11	Forwarding of Monthly Account Return to DAP along with all vouchers.	At DDO level
12	Forwarding of NPC Bills to concerned sanctioning authority.	At DDO level
13	Preparation and filing of GST related returns. (37 returns in a year)	Centralized (Circle Level or PAN India level)

It is well aware that many of the Head Postmaster posts are vacant since decades due non availability of HSG-1 Officials and even though the HSG1 officials are available as the HSG1 Postmaster are taking care of the duties of In-charge of the office, CPC and DDO also. In fact, It is practically impossible to reach fall these time lined goals.

In this connection it is to request to assign the duties related to GST/TDS may please be assigned at DAP(Level) in a Centralized environment which will avoid penalties, legal expenses, unproductive work and will improve timelines on these GST/TDS returns issues.

Thanking you, Sir.

Yours sincerely,

(SIVAJI VASIREDDY)

SECRETARY GENERAL

30/1/24

Copy to: The Senior DDG (PAF), Dak Bhawan, New Delhi for information & necessary action.