

OFFICE OF THE PRINCIPAL CONTROLLER OF DEFENCE ACCOUNTS
BANGALORE -560 007

CIRCULAR NO :20

Dated 08.10.2018 ✓

SUB: Deductions and Deposits of TDS by the DDOs under Section 51 of GST Act 2017

REF: CGDA Hqrs NewDelhi Letter No A/GST/1110/Gen/2018-19/Vol-I dt 25.09.2018

Please find CGDA Hqrs New Delhi Important Circular on GST, and implement the

same with immediate effect.

ORIGINAL FILED IN : A/11583/MISC/GST

**DISTRIBUTION TO: Officer In charge, EDP CENTRE(LOCAL)
For uploading in the website.**


SAO(A/Cs)



AVD

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उलन बटार मार्ग, पालम दिल्ली छावनी-110010

O/O THE CONTROLLER GENERAL OF DEFENCE ACCOUNTS,

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No. A/GST/1110/Gen/2018-19/Vol. I

Dated:-25.09.2018

Circular

To

All PCsDA/PCA (Fys)/CsDA

(Through CGDA Website)

**Sub:- Deductions and Deposits of TDS by the DDOs
under Section 51 of GST Act 2017.**

Copy of GoI, Min. of Finance (Department of Revenue), Central Board of Indirect Taxes and Customs Notification No. 50/2018- Central Tax dated 13th September,2018 on the above subject and CBEC Circular No.65/39/2018-DOR (F.No.S.31011/11/2018-ST-I-DoR dated 14th September, 2018) is enclosed herewith for information and necessary action please.

2. The Central Government has notified the 1st day of October, 2018, as the date on which the provisions of section 51 of the said Act shall come into force.

3. Section 51 of the CGST 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 alongwith a return in FORM GSTR-7 giving the details of deductions and deductees. Further the duductor has to issue a certificate to the deductee mentioning therein the contract value, rate of deduction, amount deducted etc.

4. As per Section 51 of CGST Act 2017, deductor shall deduct the tax amount from the payment made to the supplier of goods or services or both and deposit the tax amount so deducted with the Government account through NEFT to RBI or a cheque to be deposited in one of the authorised banks, using challan on the common portal. In addition, the deductors are entrusted with the responsibility of filing return in FORM GSTR-7 on the common portal for every month in which deduction has been made based on which the benefit of deduction shall be made available to the deductee. All the DDOs in the Government, who are performing the role as deductor have to register with the common portal and get the GST Identification Number (GSTIN).

5. For payment process of Tax Deduction at Source under GST 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.

6. Option-1 may be suitable for DDOs holding Cash Imprest/Cash Assignment who do not make large number of payments in a month. However, DAD DDOs who make large number of challans during the month, may exercise the Option-II wherein the DDOs will have to deduct the TDS from each bill, for keeping it under the Suspense Head. Deposit of this bunched amount from the Suspense Head can be made on a weekly, monthly or any other periodic basis. Hence, Non-DAD DDOs may follow Option-I (Para 6 & 7) and DAD DDOs may follow Option-II (Para 8 & 9) of CBEC Circular No.65/39/2018-DOR (F.No.S.31011/11/2018-ST-I-DoR dated 14th September, 2018).

✓ 7. The TDS amount shall be mentioned in the Bill for booking in the Suspense Head (8659 – Suspense; 00.101 -PAO Suspense; xx – GST TDS). The specific sub-head and code-head for the purpose are being opened in consultation with MOD (Fin) and DGADS. A communication in this regard will be made separately. However, pending receipt of approval for amendment in Pamphlet of RDR Head, the following Code Head may be operated (provisionally) :-


- | | | |
|-------|-------------|--------------------|
| (i) | Defence | - Code Head 020/04 |
| (ii) | MOD (Civil) | - Code Head 097/75 |
| (iii) | CSD | - Code Head 099/12 |

8. At any periodic interval, when DDO needs to deposit the TDS amount, he will prepare the CPIN on the GSTN Portal for the amount (already booked under the Suspense Head).

9. 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 DDOs will have to select the Bank where the payment will be deposited through OTC mode (Over the Counter Mode).

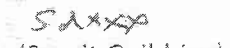
10. The DDOs should maintain a Register as per proforma given in Annexure 'A' to keep record of all TDS deductions made by him during the month. The Record will be helpful at the time of filing Monthly Return (FORM GSTR-7) by the DDO. The DDO may also make use of the offline utility available on the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

CGDA has seen.


(Sumit Gajbhiye)
Sr.ACGDA (A&B)

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1. AN-IV Section (Local) - For similar action as above.
2. IT&S Section (Local) - For uploading on CGDA website.


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