



OFFICE OF THE CONTROLLER OF DEFENCE ACCOUNTS

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No. IA/I/1305/GST Corr

Dated: 28th Sept 2018

Very Important Circular

To
All Sub Offices
All Sections in MO

Subject: Guidelines for Deductions and Deposits of TDS by the DDOs under Section 51 of GST Act 2017.

References: (i) GoI, Min of Fin (Deptt of Revenue), Central Board of Indirect Taxes and Customs Notification No. 50/2018 – Central Tax dated 13th Sept 2018.
(ii) CBEC Circular No. 65/39/2018-DOR (F. No. S. 31011/11/2018-ST-I-DoR dated 14.09.2018.
(iii) CGDA HQrs Lr No. A/GST/1110/Gen/2018-19/Vol-I dated 25.09.2018.

Copies of letters referred above on the subject matter are enclosed herewith for information and necessary action.

2. **The Central Government has notified the 1st day of October, 2018 as the date on which the provisions of Section 51 of GST Act 2017 shall come into force.**

3. Important Guidelines envisaged in the above Govt Orders are;


- i. Section 51 of the CGST Act 2017 provides for deduction of tax by the Government Agencies (Deductor) from the payments 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.
- ii. The amount deducted as Tax under this Section has to be paid to the Govt 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 deduction and deductees.
- iii. The deductee has to issue a Certificate to the deductee mentioning therein the contract value, rate of deduction, amount deducted etc.
- iv. 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 Govt account through NEFT to RBI or a Cheque to be deposited in one of the authorized banks, using challan on the common portal.

- v. The deductors are entrusted with 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.
- vi. 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).
4. For payment process of Tax Deduction at Source under GST, two options can be followed as under:
- Option 1: Generation of challan for every payment made during the month (For Non-DAD DDOs)
 - Option II: Bunching of TDS deducted from the bills on weekly, monthly or any period manner (for DAD DDOs)
- i. Option may be suitable for DDOs holding Cash Imprest/Cash Assignment who do not make large number of payments in a month.
- ii. 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 under the Suspense Head.

The extensive details to follow for Option 1 (Para 6 & 7) & Option II (Para 8 & 9) envisaged in CBEC Circular No. 65/39/2018-DOR (F. No. S. 31011/11/2018-ST-I-DoR dated 14.09.2018).

5. The suspense Heads for booking of TDS is detailed under Para 7 & 8 of CGDA HQrs letter cited at reference No. 3 above.
6. DDOs should maintain a Register as per Proforma given in Annexure A to CBEC Circular No. 65/39/2018-DOR (F. No. S. 31011/11/2018-ST-I-DoR dated 14.09.2018 to keep record of all TDS deductions 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.
7. All are requested to note the contents above for implementation of Government directives on Deductions and Deposits of TDS by the DDOs under Section 51 of GST Act 2017 from 1st October 2018.

CDA has seen.


(Siva Sankar Bandi)
Dy.CDA (IA)

Copy to:

1. The HQrs TASA
PIN 900453, C/o 56 APO

2. The HQrs 54 Inf Div
PIN 908454, C/o 56 APO

} For information and necessary action. Kindly bring the directions of Govt Orders to the notice of all Units/Formations/DDOs under your jurisdiction for implementation of Section 51 of GST Act 2017 w.e.f 1st October 2018. It is also requested to forward a copy of directions/letters issued to the Units/Formations in this regard, to this Office for our record.

EDP (Local)

: For uploading on CDA Secunderabad website.


(Siva Sankar Bandi)

Dy.CDA (IA)