

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

The Andhra Pradesh Goods and Services Tax Act, 2017 (Act No.16 of 2017) - Guidelines for deductions and deposits of TDS by the DDO under GST – Orders – Issued.

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REVENUE (COMMERCIAL TAXES-II) DEPARTMENT

G.O.MS.No. 482

Dated: 24-09-2018

Read the following:

- 1) The Andhra Pradesh Goods and Services Tax Act, 2017 (Act No.16 of 2017) published in Extraordinary issue of Andhra Pradesh Gazette No.16, Part.IV.B, Dt:07-06-2017.
- 2) Government of India, Ministry of Finance, Department of Revenue, Circular No. 65/39/2018-DORF.No.S.31011/11/2018-ST-I-DoR, New Delhi, Dated the 14th September, 2018.
- 3) Letter from the CCST in Ref.No.GST/44/2018, dated 19.09.2018.

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**ORDER:**

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

2. As per the Act, every 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 authorized banks, using challan on the common portal. In addition, the deductors are entrusted 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. The DDOs, who have to deduct GST from the bills are required to register with the common portal as tax deductors and get the GST Identification number for the purpose of TDS. There is no need to deduct tax from the bills where the supplies are not taxable. For example, there is no need to deduct tax from Panchayats, who undertake only activities in relation to functions under Article 243G of the Constitution, as such activities are treated neither supply of goods nor supply of services as per the Government of India notification no 14/2017-Central Tax (Rate) dated 28.06.2017 and State GO.Ms. No.261, Revenue (CT-II) Dept., dated 29.06.2017.

3. The subject section which provides for tax deduction at source was not notified to come into force with effect from 1<sup>st</sup> July, 2017, the date from which GST was introduced. Government of India has notified that these provisions shall come into force with effect from 1<sup>st</sup> October, 2018, vide Notification No. 50/2018 – Central Tax dated 13th September, 2018 and the Government of Andhra Pradesh also issued notification in GOMs No.476, Revenue (CT-II) department, dated:20-09-2018.

4. 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

PTO

Option II: Bunching of TDS deducted from the bills on weekly, monthly or any periodic manner

5. In order to give effect to the above options from 01.10.2018, a process flow of deduction and deposit of TDS by the DDOs has been finalised by Government of India in consultation with CGA for guidance and implementation by Central and State Government Authorities. The same process flow is adopted for Government of Andhra Pradesh. The process flow for Option I and Option II are described as under:

Option I - Individual Bill-wise Deduction and its Deposit by the DDO

6. In this option, the DDO will have to deduct as well as deposit the GST TDS for each bill individually by generating a CPIN (Challan) and mentioning it in the Bill itself.

7. Following process shall be followed by the DDO in this regard:

- i. The DDO shall prepare the Bill based on the Expenditure Sanction. The Expenditure Sanction shall contain the (a) Total amount, (b) net amount payable to the Contractor/Supplier/Vendor and (c) the 2% TDS amount.
- ii. The DDO shall login into the GSTN Portal (using his GSTIN) and generate the CPIN (Challan). In the CPIN he shall have to fill in the desired amount of payment against one/many Major Head(s) (CGST/SGST/IGST) and the relevant component (e.g. Tax) under each of the Major Head.
- iii. 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 DDO will have to select the Bank where the payment will be deposited through OTC mode.
- iv. The DDO shall prepare the bill on state payment portal for submission to the respective payment authorities.
- v. In the Bill,
  - a) the net amount payable to the Contractor/Supplier/Vendor ; and
  - b) 2% as TDS will be specified
- vi. In case of NEFT/RTGS mode, the DDO will have to mention the CPIN Number (as beneficiary's account number), RBI (as beneficiary) and the IFSC Code of RBI with the request to payment authority to make payment in favour of RBI with these credentials.
- vii. In case of the OTC mode, the DDO will have to request the payment authority to issue Government Cheque in favour of one of the authorized Banks. The Cheque may then be deposited along with the CPIN with any of branch of the authorized Bank so selected by the DDO.
- viii. Upon successful payment, a CIN will be generated by the RBI/Authorized Bank and will be shared electronically with the GSTN Portal. This will get credited in the electronic Cash Ledger of the concerned DDO in the GSTN Portal. This can be viewed and the details of CIN can be noted by the DDO anytime on GSTN portal using his Login credentials.
- ix. The DDO should maintain a Register as per proforma given in Annexure 'A' to keep record of all TDS deductions made by him during the month. This

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.

x. The DDO shall generate TDS Certificate through the GST Portal in FORM GSTR-7A after filing of Monthly Return.

Option II - Bunching of deductions and its deposit by the DDO

8. Option-I may not be suitable for DDOs who make large number of payments in a month as it would require them to make large number of challans during the month. Such DDOs may exercise this option wherein the DDO will have to deduct the TDS from each bill, for keeping it under the Suspense Head. However, deposit of this bunched amount from the Suspense Head can be made on a weekly, monthly or any other periodic basis.

9. Following process shall be followed by the DDO in this regard:

- i. The DDO shall prepare the Bill based on the Expenditure Sanction. The Expenditure Sanction shall contain the (a) Total amount, (b) net amount payable to the Contractor/Supplier/Vendor and (c) the 2% TDS amount.
- ii. The DDO shall prepare the bill on payment portal of State Government for submission to the respective payment authorities.
- iii. In the Bill, it will be specified
  - a. the net amount payable to the Contractor; and
  - b. 2% as TDS
- iv. The TDS amount shall be mentioned in the Bill for booking in the Suspense Head.
- v. The DDO will require to maintain the Record of the TDS so being booked under the Suspense Head so that at the time of preparing the CPIN for making payment on weekly/monthly or any other periodic basis, the total amount could be easily worked out.
- vi. 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).
- vii. 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 DDO will have to select the Bank where the payment will be deposited through OTC mode.
- viii. The DDO shall prepare the bill for the bunched TDS amount for payment through the concerned payment authority. In the Bill, the DDO will give reference of all the earlier paid bills from which 2% TDS was deducted and kept in the suspense head. The DDO may also attach a certified copy of the record maintained by him in this regard.
- ix. The payment authority will pass the bill by clearing the Suspense Head operated against that particular DDO after exercising necessary checks.

x. In case of NEFT/RTGS mode, the DDO will have to mention the CPIN Number (as beneficiary's account number), RBI (as beneficiary) and the IFSC Code of RBI with the request to payment authority to make payment in favour of RBI with these credentials.

xi. In case of the OTC mode, the DDO will have to request the payment authority to issue Government Cheque in favour of one of the authorized Banks. The Cheque may then be deposited along with the CPIN with any of branch of the authorized Bank so selected by the DDO.

xii. Upon successful payment, a CIN will be generated by the RBI/Authorized Bank and will be shared electronically with the GSTN Portal. This will get credited in the electronic Cash Ledger of the concerned DDO in the GSTN Portal. This can be viewed and the details of CIN can be noted by the DDO anytime on GSTN portal using his Login credentials.

xiii. The DDO should maintain a Register as per proforma given in Annexure 'A' to keep record of all TDS deductions made by him during the month. This 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.

xiv. The DDO shall file the Return in FORM GSTR-7 by 10<sup>th</sup> of the following month

xv. The DDO shall generate TDS Certificate through the GSTN Portal in FORM GSTR-7A

10. Hence, Departments in the Government should instruct all concerned DDOs under them to follow the above procedure for payment of GST TDS amount deducted from payments to be made to suppliers.

11. The Finance department may issue suitable instructions and also impart necessary training to all DDOs concerned.

12. Difficulty, if any, in implementation of this Order may please be brought to the notice of Revenue (CT) Department or Chief Commissioner of State Taxes

The above notification will be published in an Extra-Ordinary issue of the Andhra Pradesh Gazette, Dated:25-09-2018.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr.D.SAMBASIVA RAO  
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To

All the Secretariat Departments

All the Head of the Departments through the concerned Secretariat Department.

The Director of Treasuries and Accounts.

All the District Treasury Officers and PAOs.

The Chief Commissioner of State Tax, Andhra Pradesh, Vijayawada.

Copy to:

The Director General, General Administration (Vigilance & Enforcement)

Department, 2nd floor, Pundit Nehru Bus Station Complex, Vijayawada.

The P.S. to Special Chief Secretary to Chief Minister.

The P.S. to the Hon'ble Minister (Finance & Commercial Taxes).

The P.S. to the Spl.C.S (CT, Excise and Regn., & Stamps).

The Law (H) Department.  
Sf/Sc.

// FORWARDED:: BY ORDER //

SECTION OFFICER

ANNEXURE-A

Record to be maintained by the DDO for filing of GSTR7

Sl.No.	GSTIN of the Deductee	Trade Name	Amount paid to the deductee on which tax is deducted	Integrated Tax	Central Tax	State Tax	Total

Dr.D.SAMBASIVA RAO  
SPECIAL CHIEF SECRETARY TO GOVERNMENT

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