

GOVERNMENT OF ASSAM
FINANCE DEPARTMENT

No.ECF.85105/2018/22

Dated Dispur, the 10th October, 2018.

To,

All Administrative Departments,
All Heads of Department
All Treasury Officers

Sub: Guidelines for Deduction and Deposit of TDS by the DDO under GST.

Section 51 of the Assam GST Act, 2017 provides for deduction of tax by the Government Department/ Agencies (as described u/s 51) as a Tax Deductor, 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 exchequer by such 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 description of deductions and deductees. Further, the deductor has to issue a certificate to the deductee in GSTR-7A which is downloadable by the deductee from his dashboard.

2. Government of Assam has notified that the provisions under section 51 for deduction of tax to come into force w.e.f. 1st October, 2018.

Steps to be Undertaken

3. In order to comply with the provisions of the Assam GST Act for TDS, the following steps are required to be taken:
- A. Registration of DDOs as Tax Deductors in the GST common portal (www.gst.gov.in)
 - B. Deduction of tax amount from the bills to be paid to the suppliers / deductees
 - C. Depositing the TDS amount by the DDOs in to appropriate government account(s)
 - D. Filing Tax Returns for TDS within the prescribed time limit

Who are the tax Deductors:

4. As per Section 51 of the Act, the following entries are required to do TDS and thus are required to get them registered as Tax Deductors under Section 24 (VI) of the Assam GST Act: -

- A. A department or establishment of the Central Government or State Government or
- B. Local Authority or

C. Government Agencies or

D. Persons or category of persons notified by the Government:

- a) An authority or a board or any other body, -
 - i. Set up by an Act of Parliament or a State Legislature; or
 - ii. Established by any Government, with fifty-one percent or more participation by way of equity or control to carry out any function;
- b) Society established by the Central Government or the State Government or a Local Authority under the Societies Registration Act, 1860 (21 of 1860);
- c) Public Sector Undertakings

Documents for TDS Registration:

5. For Registrations as Tax Deductors, the following information are required:

For the Establishment (Office):

- (i) TAN / PAN of the establishment
- (ii) Office Phone Number (Landline and Mobile)
- (iii) Valid Office E-mail ID of the office
- (iv) Proof of Address of the place of the office (Any proof issued by Government authority / by Local Authority / Electricity Bill / Legal Ownership Document / Rent or Lease Agreement etc.) – to be uploaded

For DDO:

- (i) PAN of the DDO
- (ii) Photograph of the DDO – to be uploaded as per file size
- (iii) Valid email ID
- (iv) Mobile Phone Number of the DDO
- (v) Digital Signature Certificate (DSC) of the DDO (mandatory for Company)
- (vi) Aadhar Card (Not Mandatory)

For Authorized Signatory (Only required for office having authorized Signatory):

- (i) PAN of the Authorized Signatory
- (ii) Photograph of the Authorized Signatory – to be uploaded
- (iii) Valid email ID
- (iv) Mobile Phone Number of the Authorized Signatory
- (v) Digital Signature Certificate (DSC) of the Authorized Signatory (mandatory in case of Company)
- (vi) Aadhar Card (Not Mandatory)

6. The DDO or the Authorized Signatory is required to make an application online in GST REG 7 in the GST Common Portal on behalf of the Tax Deductor. The step by step user manual

for applying for registration as Tax Deductor is available in the portal of the Commissionerate of State Tax, Assam. (www.tax.assaam.gov.in)

7. After the application is successfully submitted by the applicant, the same would be approved of by the respective jurisdictional officer. Once the application is approved, the DDO (or Authorised Signatory) will receive the GST Number in the given email ID along with the initial password.
8. The Tax Deductor is required to deduct TDS amount from the payment to be made to the Supplier / Deductee at the rate of 2% (i.e. 1% Assam GST + 1% Central GST in case of Intra-State Supply and 2% IGST in case of Inter-State Supply). Once such deduction is made by the Tax Deductor, the TDS amount is required to be deposited by the Tax Deductor in the Government account (SGST / CGST / IGST, as the case may be) within 10 days from the end of the month in which the deduction is made.

9. **Kinds of Office Establishments:**

There are various kinds of office establishments relating to the frequency of deduction of tax and the modalities for disbursement of payments to deductees / suppliers.

- a) Government entities drawing and disbursing by raising bills through the Treasury using Fin Assam, where the number of TDS deduction cases are not very high (e.g. Departments / Heads of Departments / Subordinate offices etc.)
- b) Government entities drawing and disbursement by issuing Government Cheques, where the number of deduction cases are considerably high (e.g. Works Divisions, Forest Divisions etc.)
- c) Government entities where drawal and disbursement is not made through IFMS and payment is made through Banks (e.g. NRHM, SSA etc.)

In view of the above differences in nature of drawal and disbursement, the process for deduction of TDS and remittance has been distinctively prescribed for them as under:

10. **Procedure for Deduction & Deposit of TDS:**

a) **Deduction & Deposit process for DDOs drawing from Treasuries through Bills**

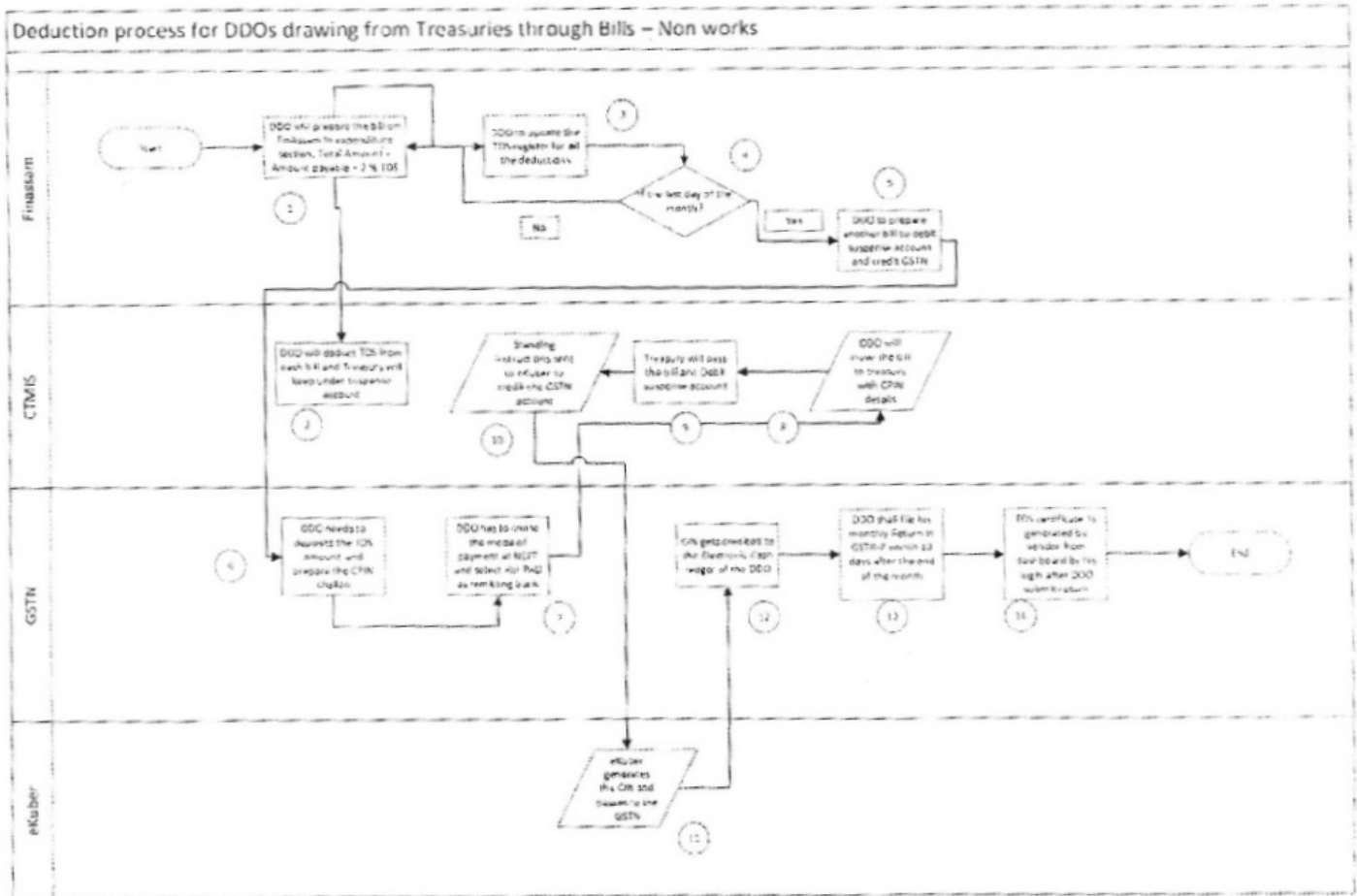
Individual Bill-wise Deduction and its Deposit of TDS will be made by the DDOs drawing their claim from Treasuries. DDOs will have to generate a single month wise CPIN (Challan) from GST portal in respect of TDS deduction from the Bill. In this regard, the following process will be adopted:

- i. The DDO shall prepare the Bill on FinAssam based on the Expenditure Sanction. The Expenditure Sanction shall contain
 - (a) Total amount.

- (b) Net amount payable to the Contactor / Supplier / Vendor and
- (c) 2% TDS amount of GST (1% Assam GST + 1% Central GST or 2% IGST) will be specified
- (d) Deduction of TDS should not be in fraction of rupees and the calculated value should be next higher rupee
- ii. The DDO will deduct the TDS from each bill and the Treasury will keep this under a **Suspense account**. This accumulated amount in the Suspense account shall be credited to Government account (GST Heads) on a monthly basis by the Treasury Officer against a CPIN generated by the DDO.
- iii. The TDS amount shall be mentioned in the Bill for booking in the Suspense Heads as below:
- 8658 (Suspense Accounts) – 101 (Pay & Accounts Office) – 2447 (GST – TDS – CGST)
 - 8658 (Suspense Accounts) – 101 (Pay & Accounts Office) – 2448 (GST – TDS – IGST)
 - 8658 (Suspense Accounts) – 101 (Pay & Accounts Office) – 2449 (GST – TDS – SGST)
- iv. 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.
- v. At the end of the month, when the DDO needs to deposit the TDS amount, the DDO shall login into the GST portal and prepare the Common Portal Identification Number (CPIN) challan for the amount (already booked under the Suspense account).
- vi. In the challan he/she shall fill in the desired amount of payment against one / many major head(s) (SGST/CGST/IGST) and the relevant component (e.g. Tax / Interest / Penalties / Fees, as the case may be) under each of the Major Head.
- vii. While generating the challan, the DDO will have to select mode of payment as NEFT and select "**Reserve Bank of India PAD**" as the remitting Bank.
- viii. Subsequently, DDO will prepare another bill on "FinAssam" to debit the suspense account and credit the GSTN account and move the same for payment to the Treasury along with the CPIN details.
- ix. Treasury will pass the bill and debit the suspense account and upon successful payment, a Challan Identification Number (CIN) will be generated by the RBI and will be shared electronically with the GST Portal. This will get credited in the Electronic Cash Ledger of the concerned DDO / Tax Deductor in the GST Portal.

This can be viewed and the details of CIN can be noted by the DDO anytime on GST portal using his Login credentials.

- x. Subsequently, the DDO shall generate TDS certificate through the GST portal in FORM GSTR-7A after filing of monthly return.



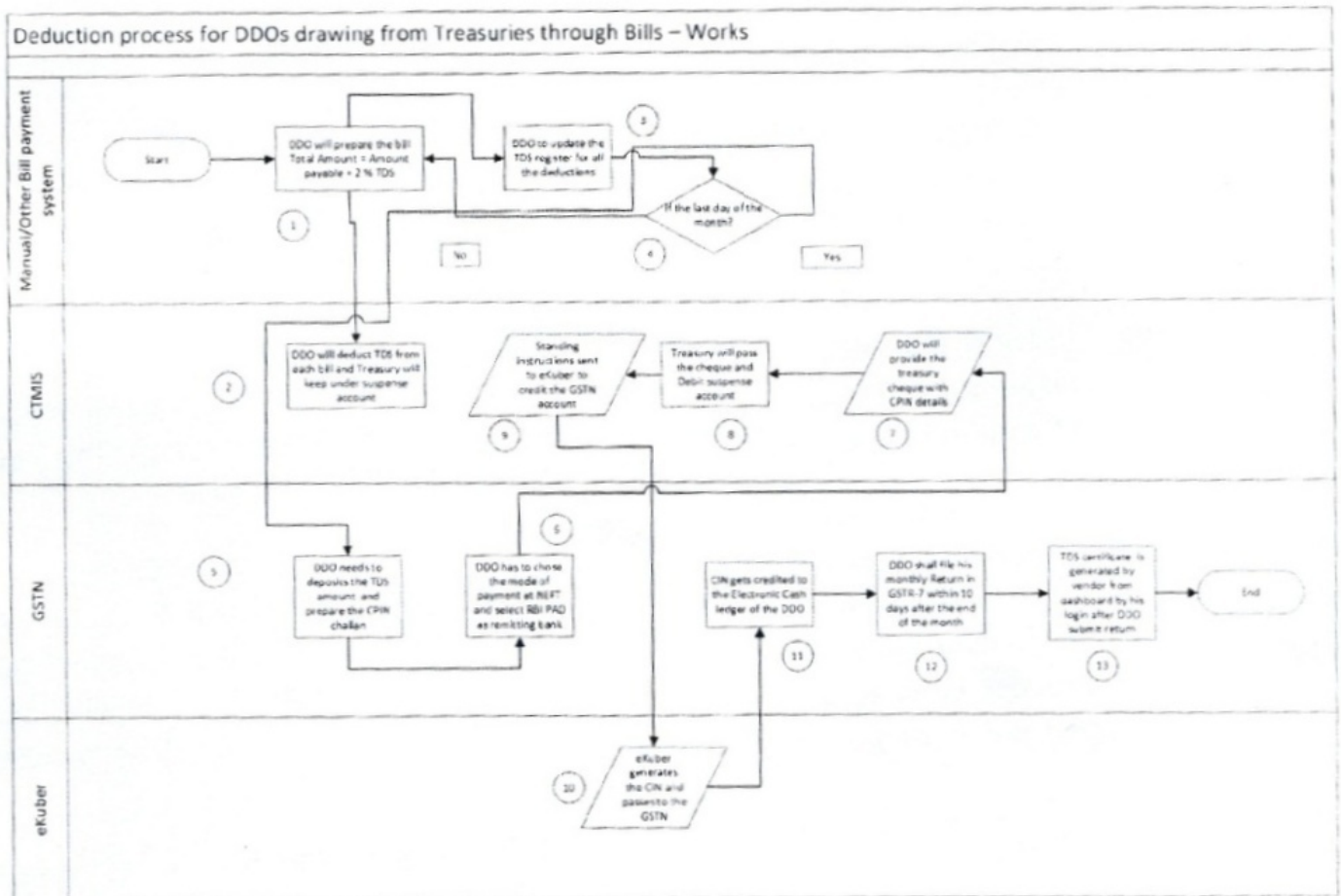
b) Deduction & Deposit process for Works, Forest divisions & P.L. Administrations

Individual Bill-wise Deduction and its Deposit of TDS will be made by the DDOs drawing their claim from Treasuries. DDOs will have to generate CPIN (Challan) from GST portal in respect of TDS deduction from the Bill. In this regard, the following process will be adopted:

- i. The DDO shall prepare the Cheques based on the Expenditure Sanction. The Expenditure Sanction shall contain
 - a) Total amount.
 - b) Net amount payable to the Contactor / Supplier / Vendor and
 - c) 2% TDS amount of GST (1% Assam GST + 1% Central GST or 2% IGST) will be specified.

- d) Deduction of TDS should not be in fraction of rupees and the calculated value should be next higher rupee.
- ii. The DDO will deduct the TDS from each bill and the Treasury will keep this under a **Suspense account**. This accumulated amount in the Suspense account shall be credited to Government account (GST Heads) on a monthly basis by the Treasury Officer against a CPIN generated by the DDO.
- iii. The TDS amount shall be mentioned in the Bill for booking in the Suspense Heads as below:
- 8658 (Suspense Accounts) – 101 (Pay & Accounts Office) – 2447 (GST – TDS – CGST)
 - 8658 (Suspense Accounts) – 101 (Pay & Accounts Office) – 2448 (GST – TDS – IGST)
 - 8658 (Suspense Accounts) – 101 (Pay & Accounts Office) – 2449 (GST – TDS – SGST)
- iv. 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.
- v. At the end of the month, when the DDO needs to deposit the TDS amount, the DDO shall login into the GST portal and prepare the Common Portal Identification Number (CPIN) challan for the amount (already booked under the Suspense account).
- vi. In the challan he/she shall fill in the desired amount of payment against one / many major head(s) (SGST/CGST/IGST) and the relevant component (e.g. Tax / Interest / Penalties / Fees, as the case may be) under each of the Major Head.
- vii. While generating the challan, the DDO will have to select mode of payment as NEFT and select "**Reserve Bank of India PAD**" as the remitting Bank.
- viii. Subsequently, DDO will prepare another bill to debit the suspense account and credit the GSTN account and move the same for payment to the Treasury along with the CPIN details.
- ix. Treasury will pass the bill and debit the suspense account and upon successful payment, a Challan Identification Number (CIN) will be generated by the RBI and will be shared electronically with the GST Portal. This will get credited in the Electronic Cash Ledger of the concerned DDO / Tax Deductor in the GST Portal. This can be viewed and the details of CIN can be noted by the DDO anytime on GST portal using his Login credentials.

- x. Subsequently, the DDO shall generate TDS certificate through the GST portal in FORM GSTR-7A after filing of monthly return.

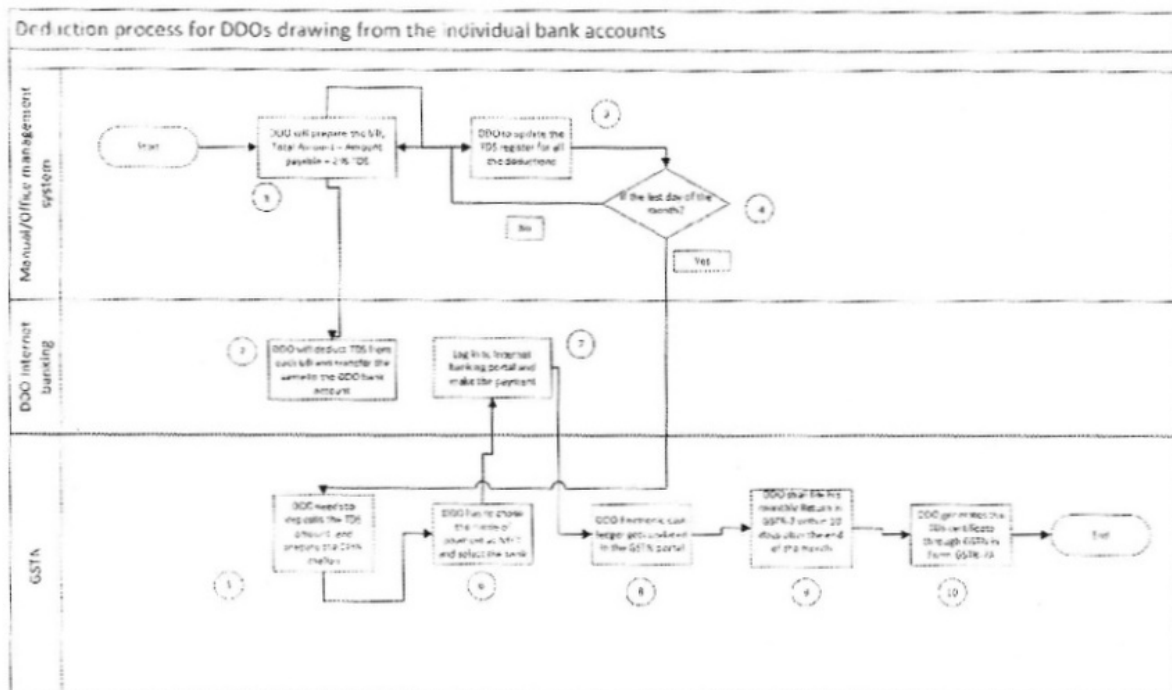


c) Deduction & Deposit process for Societies, Corporations etc. (Non-Treasury Transactions)

Individual Bill-wise Deduction and its Deposit of TDS will be made directly by the MD/PD etc. of the Society, Corporation etc. against the various bills. The concerned DDO will have to generate CPIN (Challan) from GST portal in respect of TDS deduction from the Bill. In this regard, the following process will be adopted:

- i. The DDO shall prepare the bills based on the Expenditure Sanction. The Expenditure Sanction shall contain
 - a) Total amount.
 - b) Net amount payable to the Contactor / Supplier / Vendor and
 - c) 2% TDS amount of GST (1% Assam GST + 1% Central GST or 2% IGST) will be specified

- d) Deduction of TDS should not be in fraction of rupees and the calculated value should be next higher rupee
- ii. The DDO will deduct the TDS from each bill and make e-payment of the TDS amount to the GSTN by logging into the GST portal and preparing the Common Portal Identification Number (CPIN) challan for the TDS amount either against each bill or a single CPIN against the entire amount for the month.
 - iii. In the challan he/she shall fill in the desired amount of payment against one / many major head(s) (SGST/CGST/IGST) and the relevant component (e.g. Tax / Interest / Penalties / Fees, as the case may be) under each of the Major Hea
 - iv. Subsequently, the DDO will make the payment against the GST deducted and upon successful payment, a Challan Identification Number (CIN) will be generated and will be shared electronically with the GST Portal. This will get credited in the Electronic Cash Ledger of the concerned DDO / Tax Deductor in the GST Portal. This can be viewed and the details of CIN can be noted by the DDO anytime on GST portal using his Login credentials.
 - v. Subsequently, the DDO shall generate TDS certificate through the GST portal in FORM GSTR-7A after filing of monthly return.

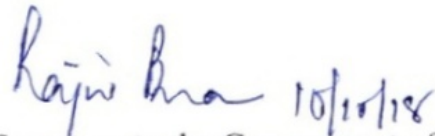


Monthly Return to be filed by DDOs/Tax Deductors:

11. Once Tax Deductor makes the deposit of TDS amount to respective government account successfully, same would be updated in the Electronic Cash Ledger of Tax Deductor as

credit entry(s). This will be required to set off the liability created by filing TDS return by Tax Deductor. It is suggested that in order to be able to file the tax return in time, the deposit should be made before filing the tax return.

12. Tax Deductors are required to file monthly tax return for TDS online in GST Common Portal. the TDS returns are to be filed by 10th of succeeding month in which deduction is made. Tax returns can be filed online by logging into the GST Portal or by using the offline tool available in the GST portal. The step-by-step user manual for filing returns (both online and offline) are available in the portal of the Commissionerate of Tax, Assam (www.tax.assam.gov.in)
13. **Training & Support:** Departments should instruct all its DDOs to follow the above procedure for registration, deduction, deposit and return filing of TDS. To familiarize & help the State Government organizations in registration as Tax Deductor in GST portal, deduction, deposit of TDS and filing of returns, Commissionerate of Taxes, Assam through the Jurisdictional offices will provide necessary training & support in coordination with local Treasury Officers.
14. Difficulty, if any, in implementation of this circular may please be brought to the notice of Finance Department.

 10/10/18

Additional Chief Secretary to the Government of Assam
Finance Department

Annexure A

Record to be maintained by the DDO for filing of GSTR-7

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
1	2	3	4	5	6	7	8