

12/18

**GOVERNMENT OF MEGHALAYA
EXCISE, REGISTRATION, TAXATION & STAMPS
DEPARTMENT**

CIRCULAR

No. ERTS(T) 65/2017/Pt.I/261

Dated Shillong the 20th November, 2018.

Subject: Guidelines for Deductions and Deposits of TDS by the DDO under Meghalaya Goods and Services Tax (MGST) Act, 2017.

Section 51 of the MGST Act 2017 and CGST Act 2017 provided 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/RTGS 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. 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).

3. The subject section which provides for tax deduction at source was not notified to come into force with effect from 1st July, 2017, the date from which GST was introduced. Government has recently notified that these provisions shall come into force with effect from 1st October, 2018, vide Notification No. 50/2018 – State Tax, ERTS(T)65/2017/Pt-1/240, dated 13th September, 2018 and No.50/2018 – Central Tax dated 13th September, 2018.

4. In order to give effect to the deduction of tax under GST and for making payment of the same from 01.10.2018, a process flow of deduction and deposit of TDS by the DDOs has been finalised in accordance with CGA guidelines for implementation by State Government Authorities. The process flow is described as under:

➤ **Bunching of deductions and its deposit by the DDO**

5. 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.

6. 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 of GST for submission to the respective payment authorities.

(ii) In the Bill, it will be specified (a) the net amount payable to the Contractor; and

(b) 2% as TDS

(iii) The TDS amount shall be mentioned in the Bill for booking in the Suspense Head [8658 - Suspense; 00.101 - PAO Suspense; 08 – GST (8658-00-101-08-00)]



- (iv) For any Bill(s) where GST –TDS is applicable, the DDO will have to attach the Treasury Challan along with the Bill and the GSTIN of the supplier is to be clearly mentioned in the body of the Treasury Challan so that Book transfer will be booked by the Treasury to the suspense head.
- (v) The DDO shall have to collect the Transfer Treasury Challan after proper accounting is completed by the Treasury.
* No. (iv)& (v) not applicable to cheque paying DDOs.
- (vi) Payment of GST –TDS amount from one or multiple Bills which was booked earlier into suspense head can be made on a weekly, monthly or any other periodic basis which is convenient to the DDO.
- (vii) The DDO will be required to maintain the Record of the TDS so 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.
- (viii) At any periodic interval, when DDO needs to deposit the TDS amount, he 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/UTGST/IGST) and the relevant component (e.g. Tax) under each of the Major Head for the amount (already booked under the Suspense Head).
- (ix) 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.
- (x) 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 (Transfer Treasury Challan if applicable) of the record maintained by him in this regard.
- (xi) The payment authority will pass the bill by clearing the Suspense Head operated against that particular DDO after exercising necessary checks (Not applicable to DDOs where the bill is not routed through the Treasury).
- (xii) 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.
- (xiii) In case of the OTC mode, the DDO will have to issue a Cheque in favour of one of the 25 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.
- (xiv) 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.
- (xv) 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.

- (xvi) The DDO shall file the Return in FORM GSTR-7 by 10th of the following month
(xvii) The DDO shall generate TDS Certificate through the GSTN Portal in FORM GSTR-7A

-Sd/-

H. Marwein

Adl. Chief Secretary to the Government of Meghalaya
Excise, Registration, Taxation & Stamps Department

Memo No. ERTS(T) 65/2017/Pt.I/261 - A

Dated Shillong the 20th November, 2018.

Copy to:-

1. P. S. to Chief Minister for favour of information of the Chief Minister.
2. P. S. to Chief Secretary for favour of information of the Chief Secretary.
3. P. S. to the Additional Chief Secretary i/c ERTS Department for favour of information of the Additional Chief Secretary.
4. The Secretary to the Govt. of India and ex-officio Secretary to the GST Council, New Delhi-110001.
5. Principal Accountant General (Audit), Meghalaya (Attention: CASS Section), Shillong-793001.
6. Accountant General (A & E), Meghalaya, Shillong-793001
7. The Secretary to the Govt. of Meghalaya, Finance Department/ERTS Department.
8. The Commissioner of Taxes, Meghalaya, Shillong for favour of information and necessary action.
9. All Administrative Departments.
10. All Heads of Department.
11. The Director, Printing and Stationery, Meghalaya, Shillong with a request to cause publication of the above Notification in the Gazette of Meghalaya Extra Ordinary issue and furnish this Department with 50 spare copies.
12. Assembly Secretariat.
13. NIC, Shillong for uploading in the Meghalaya Website.

By order etc.,

B. Singh

Under Secretary to the Government of Meghalaya
Excise, Registration, Taxation & Stamps Department

