
 सत्यमेव जयते	<p>भारत सरकार Government of India</p> <p>रक्षा मंत्रालय Ministry of Defence</p> <p>रक्षा लेखा महानियंत्रक Controller General of Defence Accounts</p> <p>उलान बटार रोड, पालम, दिल्ली छावनी-110010 Ulan Batar Road, Palam, Delhi Cantt - 110010</p> <p>Ph No. 011 - 25665571, 25665572 , FAX No. 011- 25674779. (IFA WING)</p>	
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No. IFA/GST/11101/Gen/2018-19/Vol.I

Date : 22.07.2019

To


All PCsDA/CsDA
PCA (Fys) Kolkata / All CsFA (Fys)
(Through CGDA website)

Sub.: Deduction and Deposits of TDS by the DDOs under Section 51 of GST Act, 2017 - reg.

The clarification received from Govt. of India, Ministry of Finance, Department of Revenue, CBIC, GST(Policy wing) F. No. 349/43/2017-GST (Pt.3) Vol. I dated 11/07/2019 on subject matter is enclosed herewith for information, guidance & compliances please.


2. This issues with the approval of Jt. CGDA(Fin).

Encl.: Aoc above (3 pages)


(Rajeev Ranjan Kumar)
Dy. CGDA (Fin)

Copy to:

IT&S Wing (local) : With a request to upload the order on CGDA's website.


(Rajeev Ranjan Kumar)
Dy. CGDA (Fin)

F. No. 349/43/2017-GST (Pl.3) Vol. I / 3626
Government of India
Ministry of Finance
Department of Revenue
CBIC, GST (Policy Wing)

Room No. 244-D,
North Block, New Delhi
Dated: 11th July, 2019

For C&T CGST (ISA)
K 12/7
13/7/19
D.C.G.
SAO

To
Shri A N Das,
Additional Financial Adviser &
Joint Secretary,
Ministry of Defence (Finance),
Government of India,
New Delhi-110011

Sir,
Subject: Deduction and Deposits of TDS by the DDOs
under Section 51 of GST Act, 2017 - reg.

Please refer to your letter issued vide No. 32(1)/G.S. II/2018
dated 10th May, 2019 on the above captioned subject.

2. It is to inform that the issues raised in the letters have been
examined and responses to the same have been delineated hereunder:

Issue.1: In the said letter it has been stated that PAOs under Ministry
of Defence i.e. PCDA/CDA are located at a specific place but are
making payments to the vendors as well as Units which are located
in multiple states. For instance, PCDA (WC) is located in Chandigarh
and is registered Units are located in 06 different states.

Response: It is to inform that for the purpose of Section 51 of
CGST Act, 2017 registration is need to be taken in each such State
in which supplies has been received for which contract value is more
than 2.5 lacs. As informed by the said letter PCDA authorities under
Ministry of Defence are not present in all State and hence can't get
registered in all such state. To resolve this issue registration under
section 51 need be allowed in a State without physical presence in
that state. For the same rule 12 (1A) of CGST Rules, 2017 need to
be amended. It is to inform that the issue is under consideration and
same will be resolved soon.

Issue.2: There are cases where the place of supply is not known from the bills due to secret locations of the Army Units and only the name of the Unit with C/o 56 APO/99APO is mentioned. If the location of any Unit is not known to the PAO i.e. PCDA (WC) and the supplier is located say in Maharashtra, which is outside the payment jurisdiction of PCDA (WC), what modalities have to be followed for deduction of TDS and how the credit of TDS in IGST will be passed on to the Vendor in Maharashtra.

Response: It is to inform that under GST, supplier is responsible to mention the levy of GST on the invoice under rule 46 of CGST Rules, 2017 in terms of CGST + SGST or CGST + UTGST or IGST as the case may be, depending on the nature of supply i.e. whether supply is intra-state supply or inter-state supply. The deducting authority is required to deduct TDS in term of tax heads as mentioned by the supplier in its invoice.

Issue.3: In some cases, 95% payment is being done by the Army/Nave/IAF units while only 5% payment is being released by PCDA as per contract agreement. A clarification has been sought whether 2% TDS is to be deducted on the remaining 5% amount or 100 % amount?

Response: As the post audit authorities under MoD have been exempted for the purpose of TDS under GST vide notification no. 57/2018-Central tax dated 23rd October, 2018, hence for the amount which get disbursed by units, TDS deduction is exempted, at the same time if the contract value is more than 2.5 lakhs in that case PCDA need to deduct TDS for the amount which PCDA office is disbursing. Hence TDS need to be deducted for 5% amount only in all such cases where the contract value is more than 2.5 lakhs, even if amount disbursed by PCDA is less than 2.5 lakhs.

Issue.4: If PCDA (WC) registers itself in multiple states, please clarify whether return can be furnished centrally from Chandigarh for multiple states/GSTIN. Also please specify the detailed procedure for filing return.

Response: No, there is no concept for furnishing return centrally from any state/UT for multiple states/GSTIN under GST. Return need to be furnished GSTIN wise for a month in which TDS has been deducted. Therefore, return in Form GSTR-7 need to be furnished for a month in which deduction has been made i.e. if no deduction has been made in any particular month then in that case

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furnishing of return for that particular months is not required. Detailed procedure for filing return has already been laid down on GSTN web portal i.e.

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<https://tutorial.gst.gov.in/userguide/returns/index.htm#t=GSTR7Manual.htm>.

Issue.5: Can Form 7-A be transmitted to the Vendor through email?

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Response: This issue has been already been clarified vide question no. 61 on page no. 37 of SOP on TDS available at url <http://www.cbic.gov.in/resources//htdocs-cbcc/gst/SOP-TDS-AS-ON-18thFeb.pdf;jsessionid=9180503B4891E49BB1B1E984FD563AA1>

Hence, now deductor is not required to furnish certificate in form GSTR-7A to the supplier. Now on the basis of return furnished by the deductor the certificate would be available on common portal, supplier can download the same from portal.


Issue.6: MES is an organisation under MoD dealing with execution and payment of civil work for defence forces. Its various executive divisions are headed by the GE, from where payment in respect of work under MoD is released. GE is in dual role of DDO as well as PAO. In view of exemption granted to authorities under MoD as DDO from TDS on GST vide amendment to section 51. Whereas GE, an authority under MoD is required to deduct TDS on GST as PAO since the MES organization is on pre-audit system.

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Response: The authorities under MoD which need to take registration under section 51 of GST has been listed in the annexure to the notification no. 57/2018-central tax, dated 23rd October, 2018. Therefore, it is requested that in view of said notification MoD may ascertain whether MES authorities are required to take registration under section 51 or not.

This issues with the approval of Member (GST).

Yours faithfully,


(Nisha Gupta)

Deputy Commissioner (GST)