

**DELHI FINANCIAL CORPORATION
CORPORATE ACCOUNTS DIVISION
NEW DELHI**

Ref.DFC/CA/2018-19/ 2039

Date: 09.11.2018

SUB: - GST-TDS PROVISIONS

As per Section 51 of the Central Goods and Services Tax (CGST) Act, 2017, the Government has specified below mentioned persons:

- (a) A department or establishment of the Central Government/State Government, or
- (b) Local authority, or
- (c) Governmental agencies, or
- (d) Any person or category of persons, as may be notified

To deduct the tax at source from the payment made/credited to the supplier of taxable goods/ services (i.e. deductee) where total value of supply under a contract (excluding the value of CGST, SGST, UTGST, ITGST & Cess), exceeds INR 2.5 lakhs.

Accordingly, in case of inter-state procurements, the TDS would need to be deducted at the rate of 2% from the payment to be made and in case of intra-state procurements, 1% as CGST and 1% as SGST/UTGST would need to be deducted as TDS.

Government vide N No. 33/2017 (CGST) has notified following category of persons under Section 51(1)(d) who will need to deduct the GST at source ('GST TDS'):

- (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 (PSU)

Accordingly, DFC being established under the act of parliament (SFC Act, 1951) would need to deduct the GST-TDS from the payments to be made or credited to the vendors of taxable goods or services or both where total value of supply under a contract (excluding the value of CGST, SGST, UTGST, ITGST & Cess), exceeds INR 2,50,000.

Further, the Government vide Notification No. 50/2018 (Central tax) has appointed 1st October, 2018 as the date, from which provisions of section 51(1) of CGST Act, 2017 shall come into force. Accordingly, Corporate

Accounts Division has taken registration under GST for TDS deductions vide GSTN- 07DELD00087D1D2.

To determine the tax deduction amount, value of a supply shall include any taxes, duties, cesses, fees and charges levied under any law for the time being in force other than CGST Act, SGST Act, IGST Act and GST (Compensation to States) Act, if charged separately by the supplier. In pursuance with the aforesaid provisions relating to tax deduction at source, DFC would require to undergo the following steps:

➤ **Deposit of tax deducted at source**

DFC shall deposit the deducted tax on or before 10th of the month succeeding to the month of such deduction and also report the same in GSTR-7

➤ **Filing of TDS Return**


DFC would need to file FORM GSTR-7 by the 10th of month succeeding to the month in which said deductions have been made (Refer Annexure 1 for format of FORM GSTR-7)

➤ **Issuance of TDS certificate**

DFC would need to issue a TDS certificate to the deductee (i.e. supplier) mentioning the prescribed particulars within five days of depositing such tax with government (Refer Annexure 2 for format of TDS Certificate). The said certificate is expected to be auto generated from the GSTN Portal.

The deductee would claim the credit of GST (TDS) in his electronic credit ledger by accepting the details in his GSTR-2A basis details furnished by deductor in FORM GSTR-7

This is for information and strict compliance issue with the approval of competent authority.


(S. K. Agarwal)
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