

**Government of Rajasthan
Finance (Tax) Department**

No.-F.12(5)FD/Tax/2017-Pt.-I -120

Dated-25.09.2018

Circular

Sub.: Guidelines for Deductions and Deposits of TDS by the DDO/ Divisions

Ref.: Notification No. 50/2018 - Central Tax dated 13th September, 2018 issued by Ministry of Finance (Department of Revenue) Central Board of Indirect Taxes and Customs, Government of India & Notification No. F.12(46)FD/Tax/2017-Pt.-V-113 dated 13th September, 2018 issued by Finance Department, Government of Rajasthan.

Section 51 of the Rajasthan Goods and Services Tax Act, 2017 (RGST Act, 2017) and Central Goods and Services Tax Act, 2017 (CGST 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 alongwith 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 (by using IFMS) through NEFT to RBI or a cheque to be deposited in one of the authorized banks, using challan / CPIN on the GST portal. In addition, the deductors are entrusted the responsibility of filing return in FORM GSTR-7 on the common portal (GST 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 (GST 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. Governments have recently notified that these provisions shall come into force with effect from 1st October, 2018 as per referred notifications.

4. According to section 51 of RGST Act, 2017 and CGST Act, 2017, for intra-state supply transactions, the deductor shall deduct tax at the rate of 1% from the payment made or

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credited to the supplier under each Act. Thus, total TDS shall be 2% of the payment made or credited to the supplier i.e. 1% for RGST and 1% for CGST.

5. According to section 20 of IGST Act, 2017, for inter-state supply transactions, the deductor shall deduct tax at the rate of 2% from the payment made or credited to the supplier.

6. For payment process of Tax Deduction at Source under GST two options can be followed, which are as under:

Option I: Generation of challan (CPIN) for every payment made during the month

Option II: Bunching of TDS deducted from the bills on weekly, monthly or any periodic manner (Generation of CPIN accordingly)

7. 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 finalized by Department of Revenue, Government of India in consultation with CGA for guidance and implementation by Central and State Government Authorities.

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

8. 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 online Bill/ bill itself.

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

- I. The DDO shall login into the GSTN Portal (using his GSTIN) and generate the CPIN (Challan) through NEFT/RTGS mode. In the CPIN he shall have to fill in the desired amount of payment against one/many Major Head(s) 3 (CGST/SGST/IGST) and the relevant component (e.g. Tax) under each of the Major Head.
- II. While generating the CPIN, the DDO will have to select mode of payment as NEFT/RTGS.
- III. The DDO shall prepare the Bill/ online 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. Sanction number and date along with point number (a), (b), (c) and CPIN number shall be part of respective GA Forms used for vendor/ suppliers payments.
- IV. The DDO shall prepare the bill on IFMS/ Paymanager/ WAM for submission to the respective Treasuries/ Sub Treasuries
- V. In the Bill, (a) the net amount payable to the Contractor; and (b) 2% as TDS will be specified

- VI. In case of CPIN generated through NEFT/RTGS mode at GST Portal by DDO, 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. System/IFMS will facilitate this payment process during the bill generation and e-payments.
- VII. **For CPIN generated through NEFT/RTGS mode-** TDS amount will be conveyed through the system of IFMS/Agency Banks/ RBI e-Kuberto RBI. 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.
- VIII. 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.
- IX. The DDO shall generate TDS Certificate through the GST Portal in FORM GSTR-7A after filing of Monthly Return.
- X. IFMS shall ensure to associate validation process of CPIN and GSTIN of DDO from the data received by State Accounting Authorities through GSTN.
- XI. Multiple MIS reports shall also be associated by IFMS/NIC for the purpose of tracking the payments and reconciliation.
- XII. If net payable amount is rejected/ return by RBI e-Kuber (for DDOs where e-Kuber, RBI processes are associated), DDO shall be responsible to make corrected payment advice immediately and without any delay.

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

10 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 but DDO is completely responsible to clear the booking of suspense heads made through this process within the same month. If any delay is occurred by DDO, penalties will be levied on him as per the provisions of Section 51 of CGST/RGST Act-2017.

11. 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. Sanction number

- and date along with point number (a), (b), (c) number shall be part of respective GA Forms used for vendor/ suppliers payments.
- II. The DDO shall prepare the bill on IFMS for submission to the respective Treasuries and Sub Treasuries as per prevailing practices prescribed under Rules.
 - III. In the Bill, it will be specified (a) the net amount payable to the Contractor; and (b) 2% as TDS. Deduction schedules (**as per Annexure-B-1 & B-2**) will also be generated through the system along with the bill for TDS deductions being made under 8658 head of account. The TDS amount shall be mentioned in the Bill for booking in the Suspense Head [8658 -101-(60)]and NEFT/RTGS to RBI.
 - IV. 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. System will also facilitate by providing MIS reports related to TDS deductions to the DDOS/ Departments (DDO wise)/ Treasuries/ Sub Treasuries/ FD/DTA
 - V. 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). DDO shall be responsible to clear all the parked GST TDS deductions from suspense head [8658 -101-(60)]upto the 3rd working date of consecutive month. He/ she shall also be responsible for monitoring of CPIN payments(either through NEFT/RTGS or OTC).
 - VI. 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.
 - VII. The DDO shall prepare the bill for the bunched TDS amount for payment through respective Treasuries/ Sub Treasuries. 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. System will provide facility for generation of online bill for this purpose (bill Format (new GA-) is attached at **Annexure-C**).
 - VIII. The Treasuries/ Sub Treasuries will pass the bill by clearing the Suspense Head operated against that particular DDO after exercising necessary checks. IFMS/System will provide online checks linked with previous bills/ deductions for this purpose. Treasury shall be responsible for authentication of these bills within 36 hours (working days) after receiving the physical copies and providing Token numbers.
 - IX. 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 Treasuries / Sub Treasuries in the bill to make payment in favour of RBI with these credentials.
 - X. In case of the OTC mode, the DDO will have to request the Treasuries and Sub Treasuries to issue Cheque so that he / she can produce the same along with the CPIN / chlallan at the authorized bank branches with Treasuries/ Sub Treasuries for further submission in favour of one of the 25 authorized Banks at GST Portal. The Cheque may then be deposited along with the CPIN with any of branch of the authorized Bank so selected by the DDO through the authorized bank branches.

Agency Bank presently authorized with government business shall be responsible to clear these cheques within the stipulated time lines. As this process is optional and DDO faces some difficulty in the process of deposit of TDS, he can adopt NEFT/RTGS mode as prescribed in point number (ix)

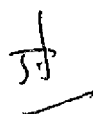
- XI. Upon successful payment, a CIN will be generated by the RBI/Authorized Bank and will be shared electronically with the GSTN Portal. This will get credited in the electronic Cash Ledger of the concerned DDO in the GSTN Portal. This can be viewed and the details of CIN can be noted by the DDO anytime on GSTN portal using his Login credentials. Agency banks and RBI will be liable to link these processes with the e-transactions of IFMS. If some technical integration needs to be redesigned by Agency Banks/e-Kuber, RBI/NIC , the same shall be immediately addressed before 1st Oct, 2018.
- XII. The DDO should maintain a Register as per proforma given in Annexure 'C' 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.
- XIII. The DDO shall file the Return in FORM GSTR-7 by 10th of the following month
- XIV. The DDO shall generate TDS Certificate through the GSTN Portal in FORM GSTR-7A

12. Departments should instruct all their DDOs under them to follow the above procedures for payment of GST TDS amount deducted from payments to be made to suppliers. Departments will also ensure that all eligible DDOs/ Government Agencies have done their registration at GSTN before proceeding to TDS payments.

13. CTD Department and its offices may also obtain the TDS reports from GSTN and IFMS (DDO wise- ledgers , GSTIN wise- credit ledgers) for proper reconciliation of the processes and ensure monitoring over the TDS process of DDOs and penalties as per the authorities defined under respective Acts and Rules.

14. Parking clearance process shall be mandatorily linked with monthly account submission and no balance in the parking head- 8658..... will be allowed after submission of monthly account by Treasuries i.e. clearance of parking transaction related to last month with the first list related to consecutive month. Systemic controls shall be executed accurately for this purpose. Treasury Officer will ensure regular monitoring over the clearing process of suspense head defined in bunching process. DDO referred in this circular also includes divisions and the entities defined under the Finance Department, GoRNotification F.12(46)FD/Tax/2017-Pt.-V-113 dated 13th September, 2018. TDS processes will also be linked with PD e-Payments through the system as per the above processes.

15. The entities which are not dealing with Treasury route for making payments, can adopt any mode as defined above at their level for GST -TDS payments.



16. The above processes will also be linked with Works Accounting Module and integrated applications (IFMS) under IFMS by NIC. CPIN validation facility will be provided in the system with the details of amount (CGST/SGST/IGST) at the time of generation of bills in case of transaction wise process and clearance of Suspense head- 8658 under bunching process. GSTIN numbers of DDOs attached with CPIN data will also be taken for validation in the system. IFMS shall also be linked properly with NEFT/RTGS transactions with the mutual support of Banks/ NIC/ RBI. DTA and NIC will ensure smooth implementation of the new TDS processes in IFMS..

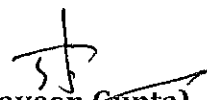
17 Lists of Accounts related to monthly account submission will also include the transactions made under bunching and transaction wise processes of TDS . Separate MIS reports / Reports will also be associated with the system as per the instructions/ guidance provided by AG office .

18 Deemed amendments to Treasury Rules, 2012, GFAR and PWF&AR

The existing provisions of the Treasury Rules, 2012, GFAR and PWF&AR would be deemed to be amended to make operational the GST TDS accounting process from 1-10-2018. Formal amendments in all relevant rules can be made after successful implementation of the new processes. Any instructions and guidelines received from Government of India in the process of accounting of GST TDS in State will become a part of this circular.

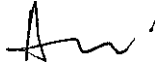
19. Difficulty, if any, in implementation of this circular may please be brought to the notice of Finance (Tax), Commercial Tax Department and Director, Treasuries and Accounts. Contact details are as under-

- A. Joint Secretary, Finance (Tax), Email: jsftax@rajasthan.gov.in, Phone 0141-2227162
- B. Additional Commissioner GST, CTD, Email: acct.gst@rajasthan.gov.in, Mobile No. 0141-2388821
- C. Additional Director, DTA, jdb-ta-rj@nic.in, 0141-2743752
- D. Technical Director, NIC, td.variyani@nic.in, 0141-511003


(Praveen Gupta)
Secretary, Finance (Revenue)
25/9/2018.

Copy to the following for information and necessary action.

1. All Additional Chief Secretaries/Principal Secretaries/Secretaries
2. P.S. to Additional Secretary, Finance (Revenue) , Ministry of Finance , Department of Revenue, New Delhi
3. P.S. to Additional Secretary, Finance (GST Council) , Ministry of Finance , Department of Revenue, New Delhi
4. P.S. to Controller General of Accounts, Department of Expenditure, Ministry of Finance , New Delhi
5. Pr. CCA, Central Board of Indirect Taxes and Customs, BIC, Government of India, New Delhi
6. CEO, GSTN, World Mark-1, Aerocity, New Delhi
7. Accountant General, Accounts and Entitlement /Audit/Commercial Accounting, Rajasthan, Jaipur
8. Commissioner, State Tax, KarBhawan, Jaipur
9. Deputy Governor, Reserve Bank of India, Central Office Building, ShahidBhagat Singh Marg, Mumbai-400001
10. Regional Director, Reserve Bank of India, Rajasthan, Jaipur/DGM/AGM (Banking), Reserve Bank of India, Rajasthan, Jaipur
11. DGM, Core Banking Division, e-Kuber, Reserve Bank of India, Mumbai
12. AGM, Core Banking Division, e-Kuber, Reserve Bank of India, Mumbai
13. All Head of Departments
14. Joint Secretary, Finance (Tax), Secretariat, Jaipur
15. OSD, TRC, Finance (GST) Department, Secretariat, Jaipur
16. Director, Treasuries and Accounts, VittaBhawan, Jaipur with the directions to address all the issues of BPR required in IFMS and providing guidance to NIC for change management.
17. Director (Budget), Finance Department, Secretariat, Jaipur
18. Joint Secretary, Finance (G&T), Secretariat, Jaipur
19. Joint Secretary, Finance (EAD), Secretariat, Jaipur
20. State Informatics Officer, NIC, Secretariat, Jaipur with a request to make all arrangements in IFMS as referred above within the stipulated time period.
21. All Treasury Officers/ E-Treasury Officer for ensuring the directions
22. Agency Banks (SBI, PNB, BOB, CBI, IDBI, OBC, UBI, BOM, Canera Bank)
23. Dy. Secretary, Finance (W&M) Department, Secretariat, Jaipur
24. Dy. General Manager, State Bank of India, Nehru place, Tonk Road, Jaipur
25. Dy. General Manager, State Bank of India, GBU, Tilak Marg, Jaipur for making arrangements in e-payment files for NEFT/RTGS transactions of TDS as referred above.
26. Dy. General Manager, Bank of Baroda, Airport Plaza, Durgapura, Jaipur for making arrangements in e-payment files for NEFT/RTGS transactions of TDS as referred above.
27. Dy. General Manager, Central Bank of India, AnandBhawan, S C Road, Jaipur for making arrangements in e-payment files for NEFT/RTGS transactions of TDS as referred above.
28. Field General Manager, Punjab National Bank, Nehru place, Tonk Road, Jaipur
29. Field General Manager, Canera Bank,
30. Chief Manager, Bank of Maharastra, UPSC Building, New Delhi for making arrangements in e-payment files for NEFT/RTGS transactions of TDS as referred above.
31. All Treasury Officers/ e-Treasury Officer/ Sub Treasury Officers
32. Sr. Technical Director, NIC (Budget), Secretariat, Jaipur for ensuring all the arrangements in the system with proper validations .
33. Technical Director, NIC, VittaBhawan (IFMS-Try/ WAM) for ensuring all the arrangements in the system with proper validations.
34. Technical Director, FD for uploading the same on FD's Web site.


Joint Secretary, Finance (Tax)

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/UT Tax	Total

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Annexure: B-1

Government of Rajasthan

Schedule of 8658 - Suspense; _____ Suspense; xx – GST TDS

Office Name :		DDO code:	Division Code:	DDO GSTIN no:	
PD Account No.:					
Service Head:		Bill No. & Bill Date:		Month & Year:	
S.No	Name of the firm	Invoice no / Date	Firm GSTIN No	Deduction Amount	Remarks
Total Amount:					

Amount in words: _____

Digital Sign of DDO/Administrator(s)/ Divisional officers

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Annexure B-2

Government of Rajasthan
Schedule For NEFT/RTGS to RBI

Office Name :		DDO code:	Division Code:	DDO GSTIN no:	
PD Account No.:					
Service Head:		Bill No. & Bill Date:		Month & Year:	
CPIN No of the Challan:		RBI Bank Account No.:		RBI Account IFSC Code:	
S.No	Name of the firm	Invoice no / Date	Firm GSTIN No	Deduction Amount	Remarks
Total Amount:					

Amount in words: _____

Digital Sign of DDO/Administrator(s)/ Divisional officers

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Annexure-C Reference No.:

Government of Rajasthan GANo. (Original Bill type) R					
Bill for GST TDS Month/Year :					
Office Name:	Office ID:	DDO Code:	Division Code:	TAN No. :	GSTIN:
PD Account No.:	CPIN No of GST Challan.:	Mode of payment:	Bill No.	Date:	
Budget Head: 8658 - Suspense; _____ Suspense; xx – GST TDS					
To, The Treasury Officer, (Concerning Treasury) Please Order to pay Rs. as per claim contained in this advice.					
Sign of Clerk	Sign of Jr.ACC/AAO-I/II/Div.ACC.	Sign (With Seal)/ e-Sign/			Digital Sign of DDO/Administrator(s)/ Divisional officers
Certificates :					
1. Amount claimed in the Advice has not earlier been drawn.					
2. Certified that I have personally examined and satisfied myself about the genuineness of claim that the GST TDS transactions of the Third Party included in this advice are strictly in accordance with rules. It is further certified that I have personally ensured observance of all formalities regarding necessary entries.					
3. It is certified that the Net claim of this advice will be transferred electronically into RBI account through agency banks and the correct bank detail(s) of the RBI Account have been furnished in advice after due verification.					
4. It is certify that I have carefully examined & verified the master data of the said claim.					
Sign (With Seal)/ e-Sign/					
Digital Sign of DDO/Administrator(s)/ Divisional Officers					
S.No.	Third Party Name GSTN No.	Details of the Bill/ from which TDS was deducted Reference No./Bill No/ TV No./Date	RBI Bank Detail Account no./ IFSC code/ CPIN number	GST TDS Amount	Remarks
1.					
2.					
Amount: Amount in Words: Sign (With Seal)/ e-Sign/					
Digital Sign of DDO/Administrator(s)/ Divisional officers					
I Certify that the Compliance of Directions/ Instructions under the provisions of GF & AR has been ensured.			Treasury Voucher		
Sign (With Seal)/ e-Sign/ Digital Sign of DDO/Administrator(s)/ Divisional Officers For Accountant General Office			No. _____ Date : _____		
			For Treasury Use		
Admitted (RS.) _____ Objected (RS.) _____			Pay Rs. : _____ (In words) : _____ (In Cash) : _____ (In words) : _____		
Auditor _____ Supdt. _____ Gaz. Officer _____			Total Credit Rs. _____		
Auditor _____ Supdt. _____ Gaz. Officer _____			Auditor _____ AAO-I/II _____ Treasury Officer _____		

Disclaimer: All contents related to this bill are provided by Head of Office/DDO and he/she is solely responsible for it. Group Name :

Print Date & Time :

Note:

- In case of PD Account Budget Head, the PD Account No. should be displayed along with Budget Head.
- All fields are captured automatically from previous bill and challan generated by treasury except correction in Bank details
- CPIN shall be validated through the system from the data of CPIN provided by GSTIN .GSTIN of DDO shall also be validated through the CPIN data.
- All entries will be properly linked in the system with pervious bills for generation of advice for TDS payments under bunching process. This is linked with TV numbers of previous bills.WAM , paymanager and Rajkosh, e-GRAS shall be very well linked with this process.