



HIMACHAL PRADESH

PUBLIC WORKS DEPARTMENT

☎ 0177-2620474

e-mail :-hp-shi4@nic.in

No. PW/CTR32-20/-Genl. Inst. GST/2018-20754-853

Dated:-

1/11/18

To

All the Chief Engineers,

HPPWD,

All the Superintending Engineers

In HPPWD.

Subject:-

Enforcement of TDS Provision under GST w.e.f 1st October, 2018.

This office has already issued instructions as approved by the Govt., vide this office letter No. 15556-656 dated 10/08/2018 which are also available on the department website regarding deduction of TDS on account of GST. Now the Govt. of India has implemented the provisions of deduction of TDS @2% under section 51 of GPGST act 2017, w.e.f. 1-10-2018.

In this matter the excise & Taxation department of H. P. has issued the instruction vide his letter No. 12-4/78-EXN-Tax-Part(278/25)- 29056-29073 dated 29/09/2018 (copy enclosed) to deduct the TDS @ 2% (1%SGST + 1% CGST) for intra-state supplies or 2% IGST for inter-state supplies from the payment made or credited to supplier of taxable goods or services or both, where the total value of such supply, under a contract, exceeds Rs. 2.5 lac. further guidelines also issued by the Deputy Commissioner of State Taxes and Excise Shimla-9 vide his letter No. EXN-SML-S.T.A-DDO-2017—18-18088-18138 dated 24/09/2018 are also enclosed to implement GST deduction& deposit.

You are therefore, requested to direct all the field D.D.O's working your control to get registered themselves under HPGST Act 2017 (if not registered yet) & to ensure to deduction and depositing TDS at the prescribed rate under the HP GST Act 2017. The necessary guidelines /(FAQ's), and Manual regarding registration as tax deductor at source are also available on the official website of the excise taxation department of H.P. i.e www.hptax.gov.in. & at national GST portal www.gst.gov.in

Any laxity in this regard, will be personal responsibility of the individual/ officer concerned.

Encl. As above.

Engineer-in Chief
HP PWD, Shimla-2.

Copy of above is forwarded to the following for :-

1. The Additional Chief Secretary (PW) to the Govt., of H.P. for information.
2. The Commissioner of State Taxes and Excise, H.P.w.r.t his letter No. 12-4/78-EXN-Tax-Part(278/25)- 29057-29073 dated 29/09/2018 for information.
3. All the Executive Engineer in HPPWD,(through e-mail) for information and taking necessary action.
4. The Executive Engineer (IT) in this office for information and upload the same on the department website.

Engineer-in Chief
HP PWD, Shimla-2.

No.12-4/78-EXN-Tax-Part-(278/25)-29056
Excise and Taxation Department,
Himachal Pradesh.

From

Commissioner of State Taxes and Excise,
Himachal Pradesh, Shimla-9

To

All Heads of Departments, Corporations & Boards,
Himachal Pradesh.

Subject: -

Dated: Shimla-9 29th Sep., 2018
Enforcement of TDS Provision under GST w.e.f. 1st
October, 2018.

Sir,

It is brought to your notice that the State government has notified that Tax Deducted at Source (TDS) provisions under section 51 of HPGST Act, 2017 will be implemented in Himachal Pradesh w.e.f. 01-10-2018.

Therefore, the following entities are required to deduct TDS at the rate of 2 per cent (1% SGST+ 1% CGST) for intra-state supplies or 2 per cent IGST for Inter-state supplies from the payment made or credited to the supplier of taxable goods or services or both, where the total value of such supply, under a contract, exceeds Rs. 2.5 lakh:-

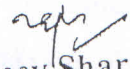
- (a) a department or establishment of the Central Government or State Government; or
- (b) local authority; or
- (c) Governmental agencies; or
- (d) an authority or a board or any other body, -
 - (i) set up by an Act of Parliament or a State Legislature; or
 - (ii) established by any Government, with fifty-one per cent. or more participation by way of equity or control, to carry out any function;
- (e) Society established by the Central Government or the State Government or a Local Authority under the Societies Registration Act, 1860 (21 of 1860); and
- (f) public sector undertakings.

The Deductor under TDS provisions would be liable to deposit the payment of TDS by the 10th day of the next month. The detailed guidelines for Deductions and Deposits of TDS by the DDO under GST have been issued by Government of India vide Circular No. 65/39/2018-DOR dated 14th September, 2018 (copy enclosed). Further, copies of Frequently Asked Questions (FAQ's) and Manual regarding registration as a Tax Deductor at Source are also enclosed herewith for your information please. The soft copies of the same are also available on the official website of Excise & Taxation Department, H.P., i.e., www.hptax.gov.in and at national GST Portal, i.e., www.gst.gov.in.

You are, therefore, requested to ensure to get registered as per provisions of the HPGST Act, 2017 (if not already) and further to ensure to deduct and deposit TDS at the prescribed tax rate under the HPGST Act, 2017.

Yours faithfully,

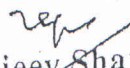
Encls: As above


(Rajeev Sharma, IAS)
Commissioner of State Taxes and Excise,
Himachal Pradesh.

Endst. No. 12-4/78-EXN-Tax-Part-(278/25)-29057 Dated: 29th Sep., 2018
29.07.18

Copy forwarded to:-

1. Addl./Joint Commissioner of State Taxes and Excise (SZ, CZ, NZ), Shimla, Mandi, Palampur, Himachal Pradesh to ensure necessary compliance from field authorities thereunder.
2. All Dy./Asstt. Commissioners of State Tax & Excise, District Incharges, Himachal Pradesh to conduct workshops for all eligible entities covered under section 51 of the HPGST Act, 2017 and send compliance report to H.Q.


(Rajeev Sharma, IAS)
Commissioner of State Taxes and Excise,
Himachal Pradesh.

No.-EXN-SML-S.T.A.-G.S.T.-DDO-2017-2018 18088-18138
O/o The Deputy Commissioner of State Taxes and Excise, Dt. 24/09/18.
Shimla Block No 3, SDA complex Kasumpti Distt. Shimla-171009

To

1. The Engineer-in- Chief,
H.P.P.W.D., Nigam Vihar, Shimla-171002, H.P.
2. The Engineer-in- Chief, C.P.W.D., Canedy House, Shimla-
H.P.
3. The Auditor General (AG), Gorten Castle, Himachal Pradesh.
4. The Engineer-in- Chief, I.P.H., U.S. Club, Shimla-171001,
5. The Secretary, Electricity Board, Kumar House, Shimla,
6. The Director, Tourism & Civil Aviation, Department, Shimla-9
7. The Director, Food and Supply and Consumer Affairs, Shimla-9.
8. The Director, Health & Family Welfare, Kasumpti, Shimla-9
9. The Director, Agriculture, Krishi Bhawan, Boileauganj, Shimla-9.
10. The Director, Animal Husbandry, Boileuganj, Shimla-9
11. The Director, Ayurveda, Block Number-26, Kasumpti-9.
12. The Director, Higher Education, Lal Pani, Shimla.
13. The Director, Elementary Education, Lal Pani, Shimla.
14. The Director, Horticulture, Nav Bahar, Shimla-2
15. The Director, H.P. Institute of Public Administration, Fairlawn,
16. The Director, Rural Development & Panchayati Raj, Shimla-9.
17. The Director, Urban Development, Talland, Shimla-2
18. The Director, Information and Public Relation, Majithia House,
19. The Labour Commissioner, Labour & Employment, Shimla-1,
20. The Chairperson, Pvt., Educational Institution,
Regulatory Commissioner,
21. The Director General of Police, Nigam Vihar, Shimla-171002.
22. The Director, Town and Country Planning,
Block Number-32, Kasumpti, Shimla-171009,
23. The Director Transport, Transport Bhawan, Shimla-4
24. The Principal Chief Conservators of Forest,
Near Himland, Shimla, Himachal Pradesh.
25. The M.D. HP Forest Development Corporation, Kasumpti, Shimla.
26. The Commissioner, Municipal Corporation, Shimla,
The Mall Shimla, Himachal Pradesh.
27. The Principal, I.C.M.C. Shimla, Himachal Pradesh.
28. The Managing Director, Handicraft & Handloom, Kasumpti,
29. The C.M.D., N.J.P., Malyana, Shimla, Himachal Pradesh.
30. The Managing Director, S.J.V.N.L., Bhatakuffer, Shimla.

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31. *The C.E.O. Himurja, Urja Bhawan, Shimla.*
32. *The Managing Director, H.P. Power Corporation, B.C. S. New Shimla*
33. *The Managing Director, HP Road and other infrastructure, Development Corporation, New Himrus, Building, Shimla.*
34. *The Managing Director, H.P. Electronic Development Corporation,*
35. *The Managing Director, H.P. Agro Packaging Industry, Shimla.*
36. *The Managing Director, H.P.M.C., Nigam Vihar, Shimla-2.*
37. *The Managing Director, HIMFED, Shimla-3.*
38. *The Deputy Commissioner, Shimla.*
39. *The Superintendent of Police, Shimla.*
40. *The Managing Director, S.I.D.C., New Himrus, Building, Talland,*
41. *The C.E.O., HIMUDA, Nigam Vihar, Shimla.*
42. *The Managing Director, Milk Fed, Totu, Shimla.*
43. *The Station Engineer, Doordarshan, Chaura Maidan, Shimla.*
44. *The Station Engineer, AIR, Chaura Maidan, Shimla.*
45. *The Registrar, H.P.U., Summerhill, Shimla.*
46. *The Controller, Printing and Stationery, Ghoura Chowki, Shimla.*
47. *The General Manager, Northern Region, Power Grid, N.H. -73, Village Nagal, Panchkula, Haryana.*
48. *The Executive-Engineer, MES, Jatogh Cantt, Shimla.*
49. *The Proprietor, City Channel / Channel-9, (Fast Way) Khallini.*
50. *The Managing Director, HPTDC, Ritz, Annexe, The Mall Shimla,*
51. *The Director, Industries, Udyog Bhawan, Bemloe, Shimla,*

Dated : Shimla

September, 2018

Subject: Guidelines for Deductions and Deposits of TDS by the DDO under GST

Sir,

Section 51 of the HPGST 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

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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 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 (www.gst.gov.in) and get the GST Identification Number (GSTIN).

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- Central Tax dated 13th September, 2018.

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

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

Option II: Bunching of TDS deducted from the bills on weekly, monthly or any periodic manner

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 finalised 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

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 Bill itself.

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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.

If the supplier makes Intra-State supply (i.e charges tax under CGST and SST in the invoice) TDS shall be made @ 1 % under CGST and 1% under SGST, totaling to 2 %. But if the suppliers makes inter state supply (i.e charges tax under IGST in the invoice,) TDS shall be made @ 2 % under IGST.

(ii) The DDO 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.

(iii) 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.

(iv) The DDO shall prepare the bill on PFMS (in case of Central Civil Ministries of GoI), similar payment portals of other Ministries/Departments of GoI or of State Governments for submission to the respective payment authorities.

(v) In the Bill,

- (a) the net amount payable to the Contractor; and
- (b) 2% as TDS will be specified.

(vi) 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.

(vii) In case of the OTC mode, the DDO will have to request the payment authority to issue 'A' Category Government 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.

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(viii) 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.

(ix) 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.

(x) The DDO shall generate TDS Certificate through the GST Portal in FORM GSTR-7A after filing of Monthly Return.

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

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.

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.
 - (ii) The DDO shall prepare the bill on PFMS (in case of Central Civil Ministries of GoI), similar payment portals of other Ministries/Departments of GoI or of State Governments for submission to the respective payment authorities.
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(iii) In the Bill, it will be specified

- (a) the net amount payable to the Contractor; and
- (b) 2% as TDS.

(iv) The TDS amount shall be mentioned in the Bill for booking in the Suspense Head (8658 - Suspense; 00.101 - PAO Suspense; xx - GST TDS)

(v) 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.

(vi) 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).

(vii) 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.

(viii) 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 of the record maintained by him in this regard.

(ix) The payment authority will pass the bill by clearing the Suspense Head operated against that particular DDO after exercising necessary checks.

(x) 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.

(xi) In case of the OTC mode, the DDO will have to request the payment authority to issue 'A' Category Government 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.

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(xii) 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.

(xiii) 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.

(xiv) The DDO shall file the Return in FORM GSTR-7 by 10th of the following month

(xv) The DDO shall generate TDS Certificate through the GSTN Portal in FORM GSTR-7A.

Departments should instruct all their DDOs under them to follow the above procedure for payment of GST TDS amount deducted from payments to be made to suppliers.

Yours faithfully,

Tashi

(Tashi Katoch)

Deputy Commissioner of State Taxes and Excise
Shimla Distt. Shimla

Email. I.D.-aetc.shimla@mailhptax.gov.in

Phone Number: 0177-2621475

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Endst: No. EXN-SML-S.T.A.-G.S.T. -DDO -2017-2018

Dated 24-09-2018

Copy for information and necessary action to :-

1. All the ACSTE's of Shimla, District.
2. All the STEO's and ASTEO's of Shimla, District.

For
Dy. Commissioner of State Taxes and Excise,
Shimla, Himachal Pradesh.

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Annexure-A

Record to be maintained by the DDO for filing of GSTR7.

Sr. No.	GSTIN of the Deductee	Trade Name	Amount paid to be Deductee on which tax is deducted	Integrated Tax	Central Tax	State/ UT Tax	Total

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