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PANJAB UNIVERSITY, CHANDIGARH
OFFICE OF THE FINANCE AND DEVELOPMENT OFFICER

No. 3598-3616/FDI

Date 29-9-18

Subject: Compliance of GST Provisions relating to TDS.

As you all are aware that the provision of GST Act came into force from 1st July 2017. Section 51 of the 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."

In the above background, the Government vide Notification No. 50/2018 dated 13th September, 2018 has notified that the above provision of TDS (GST) shall come into force w.e.f. 01/10/2018. To ensure due compliance of statutory provision, the concerned Departments/Officials shall adhere to the following instructions:

1. While processing any bill for procurement of Goods and Services (which are taxable under GST Act), in addition to TDS under Income Tax Act, the TDS under GST Act as per the following rates must be deducted and accordingly a separate voucher shall be prepared for deposit of such tax in the Government Account, in which the amount of CGST, SGST & IGST as the case may be shown separately including the name of the Vendor, GSTIN Number and the details of invoice:

i)	Intra-state supply (i.e. where the Supplier and Receiver of Goods & Services belongs to same State)	CGST @ 1% + SGST @ 1%
ii)	Inter-state supply of Goods and Services (i.e. where the Supplier and Receiver of Goods & Services belongs to same State).	IGST @ 2%
TDS rate is to be applied on value of Goods or Services excluding GST.		

- Note :**
- i) The above provision of TDS under GST Act is in addition to the existing provisions of TDS under Income Tax Act E.g. In case of a bill of catering services of Rs. 2.50 lacs, in addition to deduction of TDS under Income Tax, the TDS under GST Act shall also be made.
 - ii) In case of default in deduction of tax at source under GST Act, there is a provision for levy of late fee of Rs. 200/- per day plus penal of interest @ 18%.
 - iii) The bills of Vendors (either for supply of Goods or Services) must contain GSTIN Number, PAN Number and the e-mail ID of vendor.
 - iv) In order to ensure due compliance of various provisions of GST and Income Tax Act, no payment shall be made to any Vendor (either for supply of Goods or Services) out of Advances except in case of direct imports.
2. From 01/10/2018 onwards, no bill shall be paid without deduction of applicable TDS under GST as per the above provisions.

3. The concerned dealing officials/Office Supdts. of Accounts Department as well as Auditors in the O/o ACLA before verifying/passing a bill for payment must check the compliance of above provisions.
4. The vouchers for payment to Vendor as well as TDS (under Income Tax Act) and TDS (under GST Act) shall be processed for pass & payment simultaneously in one go.
5. The Cheque Writing Section shall prepare the cheques in favour of vendors and in favour of GST/TDS authorities simultaneously on the same date.
6. After the signing of cheques by the competent authority and entry in tally software, the Cheque Writing Section and the cheques relating to TDS (under Income Tax Act) and TDS (under GST Act) shall be forwarded to the Direct/Indirect Cell along with the concerned vouchers.
7. The Direct/Indirect Cell shall capture all the details relating to such vouchers and keep the cheques in its custody and forward the supporting vouchers to the Cheque Writing Section for onwards submission to the Daftris.

The procedure mentioned in Para 6 & 7 must be completed within three working days by the concerned officials.

8. On monthly basis, the Direct/Indirect Cell shall compile the information relating to TDS (under Income Tax Act) and TDS (under GST Act) for filing prescribed return and deposit of due tax in the Government Account on or before 7th of the next month.

All concerned are advised to ensure due compliance of the above provisions to avoid any action from the concerned authorities.

This is for your information and necessary compliance


Finance & Development Officer

Issued to:

1. Mr. Subhash Tiwari, Deputy Registrar (Accounts)
2. Mrs. Suman Miglani, Assistant Registrar (Budget)
3. Shri Anil Sharma, Assistant Registrar (Salary)
4. Mr. Mohanbir Singh, Assistant Registrar (Accounts-II)
5. Mrs. Pawan Aneja, Assistant Registrar (G&P)
6. Mr. Manoj Bhatia, O.S. (Salary-I)
7. Mr. Umesh Johar, O.S. (Salary-II)
8. Mrs. Meenakshi, O.S. (Salary-III)
9. Mr. Shashi Parkash, O.S. (Salary-IV)
10. Mrs. Indu Anand, O.S. (Salary-V)
11. Mr. Dharampal, O.S. (G&P)
12. Mr. Vijay Rana, O.S. (G&P)
13. Mr. Rajneesh, O.S. (P.F.)
14. Mr. Harmesh, O.S. (E&P)
15. Mr. Rajinder Dua, O.S. Fee-Checking (Salary-IV)
16. Mrs. Gunita Sharma, O.S. Fee-Checking (Income Section)
17. Mr. Milap Chander, O.S. (Pension Section)
18. Mrs. Sunita, O.S. Cheque Writing Section

Copy to :

A.C.L.A. for necessary action.