

CIRCULAR

E G/ Tech/0205/Vol XVII  
O/o PCDA(SC)  
Pune-411001  
16/10/2018

To,  
All the AO GEs  
(Under PCDA (SC) Pune

SUB : Implementation of GST on Works Contracts

REF : This office circular and letter of even No. dated 04/10/2018 and  
05/10/2018.

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This office circular and letter quoted under reference may please be treated as withdrawn. Revised circular on TDS on GST and action required to be taken by the AO GEs is given in this circular.

2. GST has come into force w.e.f 1st July 2017 but Section 51 of GST Act 2017 to deduct or collect Tax was in abeyance and not in force and therefore, TDS on GST was not recovered till Sept 2018. The Central Government has notified that the TDS provision would be made operative with effect from 01st October 2018 @ 2%.

3. **Tax deduction is not required in following situations :**

a. Total value of taxable supply is less than Rs. 2.5 Lakh under a contract.

b. Where a supplier/contractor had issued an invoice/vr. no. for any sale of goods/works in which tax was required to be deducted at source under the VAT Law before 01st July 2017 but where payment for such sale or work done is made on or after 01st July 2017.

c. Where the payment relates to a tax invoice /vr. no. that has been issued before 01st October 2018.

4. The amount of GST recovered from the bill will be compiled provisionally as directed by Hqrs to Major Head 8659 Minor Head 101 code head 00/020/04.

5. As regards the deposit of the deducted amount to Bankers that is the responsibility of DDO i.e GE/CWE. The procedure for depositing is given in Min of Finance letter enclosed with Hqrs letter where it is stated that the payment will be made by the DDO through NEFT/RTGS mode and copy of this letter was forwarded under our letter of even number dated 04<sup>th</sup> October 2018.

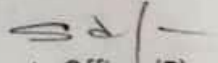
6. Cases where Vr. No. is prior to 1st October 2018 and TDS on GST at 2% recovered and compiled to 00/020/04 these may be refunded to the Contractor through Hand Receipt at your end under intimation to main office.

7. As per orders on GST for the purpose of deducting of TDS on value of supply/RARs, the value of work done (not on the restricted amount of RAR) is to be taken as the amount excluding the tax indicated on the invoice/Vr. No. This means TDS shall not be deducted on the CGST, SGST or IGST component of invoice/ vr. no.

8. The Final Bills pre audited by this office and where the vr. no. is prior to 01st October 2018 forwarded to AO GE for release of payment and in which TDS on GST has been recovered @ 2% may be amended and the bills released for payment duly amending the CB figures under intimation to this office.

This circular may please be noted by all the staff serving under you and their initials obtained and process the cases related to the subject matter accordingly.

GO (E) has seen.

  
Sr.Accounts Officer(E)

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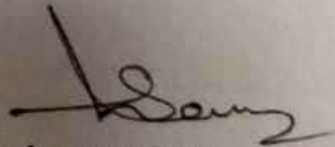
E Section For information and similar action.

Local

 EDP

For uploading in PCDA website.

Local

  
Sr.Accounts Officer(E)