



(भारत सरकार) GOVERNMENT OF INDIA
(रेल मंत्रालय) MINISTRY OF RAILWAYS
(रेलवे बोर्ड) RAILWAY BOARD

RBA No.107/2018
GST Circular No. 40/2018

No. 2018/AC-II/1/46

New Delhi, Dated 29.09.2018

Principal Financial Advisors,
Zonal Railways and Production Units etc,

Sub: Clarification on Deduction of TDS @ 2% on IGST transactions also, effective from October 1, 2018

Ref: RBA No.97/2018 and RBA No.100/2018, GST Circular No.35/2018

Please refer to RBA circulars No.97 and 100/2018 wherein detailed procedural guidelines were issued for compliance of provision regarding GST Deduction at source (GST TDS) by Indian Railways (Deductor) from the payment made or credited to the supplier (Deductee) of taxable goods or services or both, where the total contract value of such supply exceeds two lakh and fifty thousand rupees. In these circulars it was inter-alia mentioned that TDS @ 1% each on CGST and SGST/ UTGST only shall be deducted by Indian railways from payment for taxable services/ supplies and TDS @ 2% on IGST shall be kept on hold till a separate IGST notification for levy of IGST TDS is issued by Government.

2. However, Department of Revenue, after the GST Council Meeting held on September 28, 2018 has now brought a Standard Operating Procedure (SOP) clarifying the whole procedure of TDS deduction including the method of obtaining registration in GSTN portal by specified tax payers as TDS Deductor, which is made effective from October 1, 2018 (copy enclosed). The SOP ibid provides that TDS is applicable for IGST also besides CGST and SGST/ UTGST even though no formal gazette notification thereto has been issued.

3. In view of the above, it is hereby clarified that TDS @ 2% is also to be deducted in case of IGST transactions. CRIS may make necessary system modifications for necessary compliance of IGST TDS @ 2% on applicable inter-state transactions, with effect from October 1, 2018. The new allocation Deposit Miscellaneous (GST TDS- IGST) 00844544 has already been introduced in IPAS for deduction of IGST TDS. The procedure for accountal; settlement; and inter/ intra-railway adjustments, thereof shall be as per instructions contained in the circulars cited above.

Kindly acknowledge receipt and ensure compliance.

DA: As above

(Sanjeev Sharma)
Director Finance Accounts
Railway Board

Copy for information and necessary action to:

EDRS(G), EDCE(G), EDTT(S), ED ME (Dev), ED/ Infra (Civil), EDTC/R, EDPM,
MD / CRIS, DF / CRIS, GM/Fin/CRIS, GM / AIMS / CRIS, GM/VIMS, GM/IRePs