

**FINANCE DEPARTMENT**  
**(PFMS-BUDGET DIVISION)**  
**Government of National Capital Territory of Delhi**  
**4<sup>th</sup> Level, B-Wing, Delhi Secretariat, I.P. Estate, New Delhi**

**E N D O R S E M E N T**

The copy of under mentioned Office Memorandums are forwarded herewith for information and necessary action to the following:

1. All Head of Department, Govt. of NCT of Delhi
2. Dy. Controller of Accounts (Accounts), Principal Accounts Office, Govt. of NCT of Delhi.
3. Guard File
4. Assistant Director (IT) with the request to upload the same on Website of Finance Department.

**(D.B.GUPTA)**  
**DIRECTOR (BUDGET)**

<b>NAME OF MINISTRY/ DEPARTMENT</b>	<b>OM NO. &amp; DATE</b>	<b>SUBJECT</b>
Department of Expenditure, Ministry of Finance, Government of India	F. No. 01/(06)/PFMS/2022 Dated:16.09.2025	Just-in-time release of Centrally Sponsored Schemes (CSS) funds through SNA SPARSH - guidelines for handling of contribution received from Local Bodies/NGOs/Parastatal Bodies - reg.
Office of Controller General of Accounts, Department of Expenditure, Ministry of Finance, Government of India	OM No.I-126/6/2024-ITD-CGA/64 dated 28.07.2025	Handling of deductions like TDS, Income Tax, GST, Employee's Contribution etc. under SNA SPARSH

OM No. I-126/6/2024-ITD-CGA/64  
Government of India  
Ministry of Finance  
Department of Expenditure  
Office of Controller General of Accounts  
Mahalekha Niyantrak Bhawan  
New Delhi

Date: 28.07.2025

**OFFICE MEMORANDUM**

**Sub : Handling of deductions like TDS, Income Tax, GST, Employee's Contribution etc. under SNA SPARSH.**

References have been received from various State Governments/UTs regarding the mechanism to be adopted for handling deductions such as TDS, GST, employee contributions, and other statutory or non-statutory deductions under the SNA SPARSH framework. In this regard, it is clarified that, as per the SNA SPARSH protocol, the Public Financial Management System (PFMS) does not capture individual deduction components in the payment file. Instead, PFMS only processes the Gross and Net amounts. The Central Share is released based on the Gross value of the payment file, in accordance with the scheme-specific sharing ratio configured by the respective State Scheme Manager and duly approved by the Program Division, as per the applicable scheme guidelines.

2. As per the SPARSH protocols all the deductions have to be managed in the State IFMIS Screens only.
3. Based on the deliberations with the several states, following protocols for handling the various kind of deductions under SNA SPARSH are suggested: -

**A. Treatment of deductions**

In SNA SPARSH transactions are to be treated at par with other treasury transactions. Accordingly, all statutory and non-statutory deductions shall form part of the gross amount of the payment file generated in the State IFMIS. This gross amount is to be submitted to PFMS for the purpose of determining and releasing the Central Share.

**B. Booking of Deductions under Appropriate Budget Heads**

States/UTs may book various types of deductions at the time of payment file creation in their State IFMIS system under appropriate Heads of Account, as outlined below:

- a) For statutory deductions such as Contractors' TDS, Income Tax, GST, etc., the respective budget heads may be provisioned under Public Account Head 8658.
- b) For refundable deductions such as EMD (Earnest Money Deposit) and Security Deposits, States may open and utilize appropriate heads under 8443 - Civil Deposits, with funds held in a dedicated bank account.
- c) For deductions related to employee contributions, such as NPS, EPFO, etc., the same may be booked under their respective functional budgetary heads.

**C. Booking by Implementing Agencies (IAs)**



At the time of payment file generation in State IFMIS, Implementing Agencies (IAs) must ensure that deductions are appropriately booked under the relevant budget heads for accounting purposes. Consequently, the payment file will contain: Gross Amount; Deductions (booked under appropriate heads) and Net Payable Amount

**D. Data Transmission to PFMS**

The State IFMIS shall transmit only the Gross and Net values of the payment file to PFMS. Based on the Gross amount, PFMS will release the Central Share to the State's SLS RBI Account in accordance with the pre-configured sharing ratio of the scheme.

**E. Disbursement of Deducted Amounts**

For final settlement of deduction amounts to the concerned authorities (e.g., tax departments, EPFO), the State may use its treasury account, which is a Ledger Balance Account maintained with the RBI through CAS, Nagpur. In cases where the treasury route is not feasible, the State may use a dedicated bank account for such payments.

**F. Non-Disbursable Deductions (Final Heads)**

For deductions where no physical disbursement is required—such as CGHS, CGEGIS, License Fees, GPF, etc.—these shall also be included in the Gross value of the payment file. Such deductions must be properly booked under the relevant Receipt Heads or Public Grant Heads, as applicable, within the State's accounting framework.

4. It may be noted that the above suggestions are indicative in nature and not mandatory for States/UTs. States/UTs that already have well-established protocols for handling deductions may continue following their existing systems, provided they align with the overall objectives of the SNA SPARSH framework.



(Anupam Raj)

Dy. Controller General of Accounts (GIFMIS)

To,

ACS/Pr. Finance Secretary/Finance Secretary of all the State Governments and UTs of J&K, Puducherry and NCT Delhi.

Copy to

1. PSO to Additional Secretary (PFS), DoE, Ministry of Finance
2. PS to Additional CGA, PFMS, Shivaji Stadium, New Delhi.
3. PS to Director (PFS), DoE, Ministry of Finance.



F. No. 01/(06)/PFMS/2022  
Government of India  
Ministry of Finance  
Department of Expenditure

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North Block,  
New Delhi, the 16<sup>th</sup> September, 2025

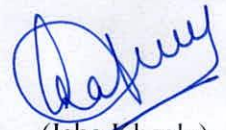
**OFFICE MEMORANDUM**

**Subject: Just-in-time release of Centrally Sponsored Schemes (CSS) funds through SNA SPARSH - guidelines for handling of contribution received from Local Bodies/NGOs/Parastatal Bodies - reg.**

The undersigned is directed to refer to guidelines for SNA SPARSH issued vide this Department's OM dated 13.07.2023.

2. References have been received in this Department regarding fund flow in SNA SPARSH in Centrally Sponsored Schemes where a third party like States' Local Body/ NGO/ Parastatal Body is also contributing share in lieu/in addition to the State Government. The following guidelines are issued to take care of such cases:

- (i) The concerned third party will deposit its share with the State Treasury. The State Government will make commensurate budget provision for the State Share as well as the third party share in the State's budget. In the demand file submitted by IFMIS to PFMS in SNA SPARSH, the State's share will include the State share as per the scheme guidelines plus the third party share.
  - (ii) State Government will develop an accounting framework for the third party share so received in its account in consultation with PFMS Division of O/o Controller General of Account.
3. This issues with the approval of competent authority.

  
(Isha Khosla)

Director

Tel. No. 011-23093382

To

1. Secretaries to all Ministries/Departments
2. Financial Advisors of all Ministries/Departments
3. ACS/Principal Secretary/Secretary (Finance) of all State Governments and UTs
4. Pr. CCAs/CCAs of all Ministries/Departments

Copy to: Addl. CGA, PFMS Division, O/o CGA