



RAHUL & CO
CHARTERED ACCOUNTANTS

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Ref.-Oct/GST/06

Date: 10/10/2018

To,
GST CELL,
HQ, FA & CAO Office
G.M. Building
West Central Railway
Jabalpur (MP)

Subject: GST TDS on Miscellaneous type of bills.

Ref; - HO/Accounts/General/Expenditure/2018-2019, 10th October 2018.

Dear Sir,

As per section 51 of CGST Act 2017, "every specified person shall liable to deduct tax at the specified rate 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 two lakhs and fifty thousand rupees".

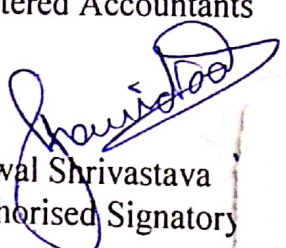
Hence on the basis of above provision, where the total value of supply, under a contract, exceeds two and half lakh rupees than specified registered person have to deduct TDS on the payment made to supplier(s).

It may be deduced from the applicable provisions that TDS is applicable where value of supply under a contract exceeds Rs. 2,5 lacs. Emphasis here is on value of supply rather than contract value.

In the all cases presented before us, if the value of supply under a contract is unascertainable, in our view TDS on such payments can be made on the basis of FAQ No. 23 of the SOP issued by CBIC mentions about the scenario where value of supply under a contract exceeds Rs 2.5 Lacs during the tenure of the contract and suggests to deduct the tax on the full value of supply(Copy of the same is attached for your ref).

However, time of deduction of TDS is a policy matter and shall be decided upon after a due deliberation upon it. As primary deciding factor here to be noted is terms of a contract.

Thanks and regards
For, Rahul & Co.
Chartered Accountants


Dhawal Shrivastava
(Authorised Signatory)