



RAHUL & CO
CHARTERED ACCOUNTANTS

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Ref. ^{Oct}~~Sep~~/GST/04

Date: 10/10/2018

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

Subject: TDS on Petty bills.

Ref; - HO/Accounts/Telephone/Expenditure/2018-2019, 08th October 2018.

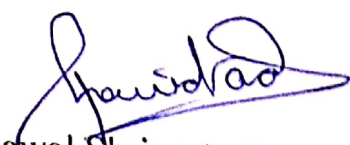
Dear Sir,

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 lakh and fifty thousand rupees"*.

On the basis of above provision, it can be said that, where value of supply under a contract exceeds the specified limit i.e. 2.50 lakh, TDS shall be deducted from the payment made to the supplier. Hence, it may be observed that the said provision states about the value of supply under a contract, rather than contract value as mentioned in your letter.

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)

Thanks and regards
For, Rahul & Co.
Chartered Accountants


Dhawal Shrivastava
(Authorised Signatory)