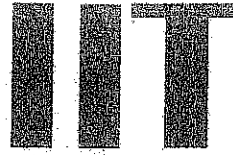




भारतीय
प्रौद्योगिकी
संस्थान
काशी हिन्दू विश्वविद्यालय



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Office of the Registrar

(Annual Accounts & Balance Sheet)

कुलसचिव कार्यालय

(वार्षिक लेखा एवं तुलन पत्र)

Ref. No.:- IIT(BHU)/Annual A/cs./2018-19/ 8600

Date:- 28.09.2018

29

NOTICE

Subject: Applicability of Tax deducted at source (TDS) under GST as specified u/s 51(1) of CGST Act. 2017 w.e.f. 01.10.2018

In pursuance of notification no. 50/2018 – Central Tax dated 13th September, 2018, deduction of TDS under GST is to be made in accordance with Section 51(1) of CGST Act. 2017 w.e.f. 01.10.2018, as amended from time to time, as per rate of tax and other relevant details mentioned in Annexure –A.

All bill drawing authorities of various Departments / Schools / Units are requested to prepare and enclose TDS challan along with bill wherever required in addition to challan of TDS of Income Tax if any, subject to applicability of the same. It is reiterated that the TDS as per CGST Act provisions, as amended from time to time, should be collected and deposited strictly within stipulated time period by following due procedure prescribed in aforementioned enclosed annexure.


Dy. Registrar (Accounts)

Encl: As above.

Copy forwarded for information and necessary action to the following:-

1. All the Deans
2. All the Prof. In-charges
3. All the Heads/Coordinators/Departments/Schools/Centres
4. The Chairman, IWC
5. The Chairman, Senate Library Committee
6. The Chairman, IIT – Cafeteria
7. The Chairman, Council of Wardens
8. The Chairman, Web Management & E-mail Services Committee with request to kindly place this circular on the Institute Website
9. The Chief Councillor – Gymkhana
10. The Coordinator, GTAC
11. All Admin. Wardens – Hostels
12. The In-charge UGD/IDD/IMD/ PT-I
13. Joint Registrar/ Deputy Registrar/ All the Assistant Registrars
14. P.S to the Director
15. P.A to the Registrar

Indian Institute of Technology (Banaras Hindu University)


Dy. Registrar (Accounts)

TAX DEDUCTED AT SOURCE(TDS) UNDER GST AS SPECIFIED UNDER SECTION 51(1) OF CGST W.E.F 01.10.2018

Under the GST regime, Section 51 of the CGST Act, 2017, makes provisions relating to tax deducted at sources. Accordingly, it prescribes the authority and procedure for 'Tax Deduction at Source'.

Further, the procedures as detailed below are to followed in conformity with the GST Act and Rules as amended from time to time.

Tax to be deducted by the specified person

As per Section 51(1) of the CGST Act, 2017, the tax shall be deducted 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. The Government may mandate the following (the deductor) to deduct tax at source:

- a. A department or an establishment of the Central Government or State Government; or
- b. Local authority; or
- c. Governmental agencies; or
- d. Such persons or category of persons as may be notified by the Government on the recommendations of the Council.

Accordingly, Central Board of Indirect Tax & Customs vide **Notification No. 50/2018 – Central Tax, dated 13.09.2018**, has specified the category of person to whom TDS is required to be deducted, are as follows:

- a. an authority or a board or any other body, -
 - a. *set up by an Act of Parliament* or a State Legislature; or
 - b. established by any Government,with fifty-one percent or more participation by way of equity or control, to carry out any function;
- b. society established by the Central Government or the State Government or a Local Authority under the Societies Registration Act, 1860 (21 of 1860);
- c. public sector undertakings

Further, it is also provided that the said persons shall be liable to deduct tax from the payment made or credited to the supplier of taxable goods or services or both with effect from 1st October 2018.

Rate of tax

As per Section 51(1) of the CGST Act, 2017, the tax would be deducted on payment made or credited to the supplier (the deductee) of taxable goods or services at the tax rate mentioned below.

Intra State: 2% (CGST 1% + SGST 1%)

Inter State: 2% (IGST)

As per explanation to the Section 51(1) of the CGST Act, 2017, the value of supply shall be taken as the amount excluding the Central tax, State tax, Union territory tax, Integrated tax and cess indicated in the invoice.

Point of taxation

As per Section 51(1) of the CGST Act, 2017, TDS is required to be deducted by the deducter where the total value of supply of taxable goods and/ or services, under a contract, *exceeds* 2,50,000/- (excluding the amount of Central tax, State tax, Union Territory tax, Integrated tax and cess indicated in the invoice). Thus, individual supplies may be less than ₹2,50,000/-, but if contract value is more than ₹2,50,000/-, TDS will have to be deducted.

This can be understood by way of following example:

The Institute has entered into three agreements with a supplier, are as follows:

1. Contract for cleaning : Contract value - ₹2,20,000/- (including GST of ₹20,000/-)
2. Contract for renting of vehicle : Contract value - ₹2,95,000/- (including GST of ₹45,000/-)
3. Contract for security guards : Contract value - ₹3,50,000/- (including GST of ₹60,000/-)

The impacts of TDS under GST on above cases are given in the same order as under:

1. No TDS is required to be deducted as the value of contract is *less than* ₹2,50,000/-
2. No TDS is required to be deducted as the value of contract is *equal to* ₹2,50,000/- (₹2,95,000- ₹45,000/-)
3. TDS is required to be deducted as the value of contract *exceeds* ₹2,50,000/- (₹3,50,000- ₹60,000/-)

Deduction of TDS

As per provision to Section 51(1) of the CGST Act, 2017, no deduction shall be made if the location of the supplier (LOS) and the place of supply (POS) is in a State or Union territory, which is different from the State, or as the case may be, Union Territory of registration of the recipient (LOR).

These situations can be understood by way of following Table:

<i>Particulars</i>	<i>Situation (a)</i>	<i>Situation (b)</i>	<i>Situation (c)</i>
Location of Supplier	UP	Delhi	Delhi
Place of Supply	UP	UP	Bombay
Location of Recipient of Goods / Service	UP	UP	UP
TDS applicability	Yes (1% for CGST & 1% for SGST)	Yes (2% for IGST)	No [Covered by proviso to Section 51(1) of CGST Act, 2017].

Following points may also be considered:

- a. TDS may not be required to be deducted where recipient is liable to pay whole GST under reverse charge mechanism [Section 9(3) of the CGST Act, 2017].
- b. TDS may not be required to be deducted where supply is not a taxable supply or exempt from GST.
- c. TDS may not be required to be deducted where supplier is unregistered and recipient is not liable to pay GST under reverse charge mechanism under Section 9(4) of the CGST Act, 2017. Exemption is provided by way of Notification No.9/2017-Central Tax (Rate), dated 28.06.2017 in respect to the intra state supplies received by the deductor from the unregistered suppliers.
- d. TDS shall not be deducted where contract value is not exceeding the value of 2.5 lakhs.

Deposit of TDS with the Government

As per Section 51(2) of the CGST Act, 2017, the amount of tax deducted at source should be deposited to the Government account by the deductor by 10th of the succeeding month. The deductor would be liable to pay interest at the rate of 18% p.a. if the tax deducted is not deposited within the prescribed time limit.

Consequences of not complying with TDS provisions

S. No.	Event	Consequence
1.	TDS not deducted	Applicable Interest to be paid along with the TDS amount else the amount shall be determined and recovered as per the law
2.	TDS certificate not issued or delayed beyond the prescribed period of five days	Late fee of ₹200/- per day (₹100 for CGST + ₹100 for SGST)
3.	TDS deducted but not paid to the Government or paid later than 10 th of the succeeding month	Applicable Interest to be paid along with the TDS amount else the amount shall be determined and recovered as per the law

Refund of TDS amount

As per Section 51(8) of the CGST Act, 2017, any excess or erroneous amount deducted and paid to the Government account shall be dealt for refund under Section 54 of the CGST Act, 2017. However, if the deducted amount is already credited to the electronic cash ledger of the supplier, the same shall not be refunded.

All the Bill drawing units/Departments are requested to ensure proper compliance of the above TDS provisions.
