



# TAX DEDUCTED AT SOURCE [TDS]

## PROVISIONS UNDER THE GST LAWS



Goods and Services Tax



## WHAT IS TDS IN GST ?

As per provisions of Section 51  
of the GST Law

TDS stands for  
“Tax Deducted at Source”.

## **BASIC CONCEPT**

**As per the provisions of the GST Law, TDS has to be deducted from the payment made to a supplier against both intra-state & inter-state supply of taxable goods or services or both.**

## CONDITIONS FOR DEDUCTION OF TDS IN GST :

- (i) In GST, deduction of TDS has to be made on a payment made or credited to a supplier of any taxable goods or services or both where the total contract value of such supply exceeds Rs. 2.5 Lakhs.
- (ii) So, once a Work Order/Purchase Order worth a value exceeding Rs. 2.5 Lakhs is issued by a Govt Dept., all the payments made under such Order will automatically qualify for deduction of TDS under GST.
- (iii) In GST, deduction of TDS will be applicable on the value of the Invoice for which payment is being made, after excluding all the tax/cess components of GST

## **NO DEDUCTION OF TDS IS NECESSARY :**

- No deduction of TDS in GST shall be made if the location of the supplier and the place of supply is in a State which is different from the state of Nagaland.
- So, for any supply of goods or services or both received by a Nagaland Govt. Dept. in a place outside Nagaland, the related payment will not qualify for deduction of TDS under NGST.

## WHO ARE LIABLE TO DEDUCT TDS?

*As per the provisions of the GST Law, the following are mandatorily required to deduct TDS :-*

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

## **4 BASIC ISSUES**

1. Deduction of TDS
2. Obtaining GST Registration Number online
3. Depositing the deducted TDS.
4. Furnishing deduction/payment details by uploading online return & issuing certificate of deduction

A close-up photograph of a person's hands working on a document. The left hand holds a red pen, and the right hand is pressing a button on a black calculator. The document features a table with numerical data. The background is a solid dark blue color.

## ISSUE # 1

# DEDUCTION OF TDS



## How is TDS deducted ? Who deducts TDS ?

The PERSON RESPONSIBLE for making payment to a SUPPLIER [DDO] is compulsorily required to make deduction of TDS.

## Rate of deduction for TDS

There are 3 types of taxes in GST – IGST, CGST & NGST. The deduction against intra-state supply will be CGST & NGST, and the deduction against inter-state supply will be IGST.

**Rate of such deduction is @ 2% [i.e. 1% each on CGST & NGST component] on the payment amount against intra-state supply & @ 2% [as IGST] on the payment amount against inter-state supply.**

The background of the slide features a close-up, shallow depth-of-field photograph of a desk. On the left, a pair of brown-rimmed glasses rests on a white document. In the center, a silver and black pen lies diagonally. To the right, a white calculator is visible, with several black buttons labeled 'TAX+', 'TAX-', and 'AC' clearly shown. The overall scene suggests a professional or financial setting.

ISSUE # 2

**OBTAINING  
REGISTRATION  
NUMBER(GSTIN)**

Under the GST law, all liable Govt agencies will be required to get registered and obtain a fifteen digit GSTIN [Goods & Services Tax Identification Number] as a TDS deductor.

## How to Register and obtain the GSTIN?

- Govt. Agencies will have to get themselves registered through the portal [www.gst.gov.in](http://www.gst.gov.in) by filling up GST REG-07 using their TAN (Tax Deduction Account Number) issued by the Income Tax Department.
- The entire process is online where application is signed through PAN (Permanent Account Number) based DSC (Digital signature certificate) or EVC (Electronic verification code).

## Where to obtain TAN?

TAN:

- TAN or Tax Deduction and Collection Account Number is a 10 digit alpha numeric number required to be obtained by all persons who are responsible for deducting or collecting tax.
- Applicant can apply online  
<https://tin.tin.nsdl.com/tan/form49B.html>

OR

Contact (local) :

1.M/s NK Square Infotech solution,High School Junction

M:9856476007

2. M/s Alankit Ltd, Millenium Market,1<sup>st</sup> Floor,S/No.FF44

M:8974000737

## Where to obtain PAN?

PAN:

- Applicant may either make an online application through this website or submit physical PAN Application to any TIN-FC or PAN centre of NSDL.

Please log on <https://www.tin-nsdl.com/services/pan/pan-index.html>

**OR**

you can visit FC centers for TIN & PAN located at Dimapur in below mentioned link <https://www.tin-nsdl.com/tin-facilities.html>

## What is DSC?

DSC:

- Digital Signature Certificates (DSC) are the digital equivalent (that is electronic format) of physical or paper certificates. A digital certificate can be presented electronically to prove one's identity, to access information or services on the Internet or to sign certain documents digitally. In India, DSC are issues by authorized Certifying Authorities.
- The GST Portal accepts only PAN based Class II and III DSC.



## Where to obtain DSC?

- Applicant can procure any of the **Class 2 or 3 certificates** from any of the certifying authorities.
- Tata Consultancy Services (TCS) “<http://www.tcs-ca.tcs.co.in>”
- National Informatics Center (NIC) “<http://nicca.nic.in>”
- IDRBT Certifying Authority “<http://idrbtca.org.in>”
- SafeScript CA Services, Sify Communications Ltd. “<http://mcacert.safescript.com>”
- Code Solutions CA “<https://www.ncodesolutions.com>”
- E-MUDHRA “<http://www.e-mudhra.com>”

OR

- Contact Local Agent: M/s Kevizanu Visa Infotech, Kohima.  
M:9089433643

The background of the slide features a close-up of a tax form, likely a Form 1040, with a blue pen resting on it. To the right, a portion of a calculator is visible, showing several buttons in teal, grey, red, and orange. The overall scene is set against a dark blue background.

## ISSUE # 3

# DEPOSITING THE DEDUCTED TDS

## Method of depositing TDS

- In GST, there will be a single portal [www.gst.gov.in](http://www.gst.gov.in) for registration, payment and filing of Returns.
- Payment to be made on filling up a system generated challan in GST PMT-06

## Method of depositing TDS

- For deposit, the deductor has to generate a challan and make the payment to a Bank through e-payment mode [Net Banking/Debit-Credit card/NEFT-RTGS] [Cheque/DD through OTC Mode]  
*The deducted amount is to be deposited in the following manner:-*
  - For deduction against intra-state supply: 1% each to be deposited in the CGST & SGST A/c heads.
  - For deduction against inter-state supply: entire 2% amount to be deposited in the IGST A/c head.

## Time limit for depositing TDS

Have to pay before Filing of Returns i.e. 10<sup>th</sup> of next subsequent month.

e.g. tax deducted for JULY has to be deposited before 10<sup>th</sup> AUGUST.

## Interest payable

If any deductor fails to pay the deducted TDS to the Government within the prescribed period, DDO shall pay on his own an **interest at a rate not exceeding 18%** for the period for which such TDS remains unpaid along with the amount of tax deducted.

The background features a close-up of a calculator with dark blue buttons and a red 'AC' button. A silver pen is positioned diagonally across the scene. In the background, a document with various numerical values is visible, including -81.91, -1465.29, -661.00, -150.00, 2706.20, -139.24, 434.00, -350.00, -68.00, 2706.20, 12871.04, 12437.00, 12087.00, 11402.00, 141.00, 13065.07, 13015.04, 580.07, and 4.59. The overall theme is financial calculation and documentation.

ISSUE # 4

**FILING OF TDS  
RETURNS ONLINE**

**In GST, every registered TDS deductor is required to file a Return in GSTR -7 electronically on or before 10<sup>th</sup> of the subsequent month, for the month in which such deductions have been made.**

- On filing such GSTR-7, the deductor shall furnish to the deductee a system generated certificate in GSTR-7A mentioning therein the contract value, rate of deduction, amount deducted and paid to the Government and other related particulars.
- The entire exercise has to be completed through [www.gst.gov.in](http://www.gst.gov.in)
- The deductee [ie, the supplier] shall claim the credit of such deduction against his tax liability in his Returns



## Time limit for uploading GSTR-7

On or before 10<sup>th</sup> of the next subsequent month.

RETURN *for TDS in JULY has to be uploaded by 10<sup>th</sup> AUGUST*

## Late Fees payable

- If any deductor fails to furnish the certificate of TDS to the deductee [i.e the supplier] **within 5 days** of crediting the amount so deducted to the Government, the deductor shall **pay a late fee of Rs. 100 per day from the day after the expiry of such five day period** until the failure is rectified.
- **The maximum Late Fee under this instance is Rs. 5000/-.**

## Please do remember....

- Where a deductor fails to deduct the TDS in GST or deducts an amount which is less than the amount required to be deducted fails to pay the deducted amount to the Government, **he shall have to pay such amount of TDS with Interest along with a penalty.**
- **This penalty amounts to Rs. 10,000/- or an amount equivalent to the tax not deducted or short deducted or deducted but not paid to the Government, whichever is higher.**

## Provision of refund of TDS erroneously deducted or deducted in excess already deposited in the Govt A/c

- In GST, any amount of TDS erroneously deducted or deducted in excess already deposited in the Govt a/c by the deductor may be refunded to him.
- However, once such amount is reflected in the GSTR-7 filed by the deductor and in turn automatically credited to the deductee [ie, supplier], no refund to the deductor shall be granted.

## Training and Hand Holding

- All interested DDOs/ authorised official will be provided hands on training by the Department of Taxes.
- Facilitation centres set up in all districts (Taxes offices) may also be approached for registration, filing returns and other GST related support.

**For any query relating to GST**

**email us at:**

**[gst.nagaland@yahoo.com](mailto:gst.nagaland@yahoo.com)**

**Call/SMS/WhatsApp : 7005084110**

**Details of the GST Act, Rules, tax rates,  
notifications and circulars may be seen at  
[www.nagalandtax.nic.in](http://www.nagalandtax.nic.in)**

Department of Taxes  
Government of Nagaland

THANK YOU



Goods and Services Tax

