**FAQs on Goods & Services Tax**

**7. GST Payment of Tax**

**Q 22. What is TDS?**

Ans. TDS stands for Tax Deducted at Source (TDS). As per section 37, this provision is meant for Government and Government undertakings and other notified entities making contractual payments in excess of Rs.10 Lakhs to suppliers. While making such payment, the concerned Government/authority shall deduct 1% of the total payable amount and remit it into the appropriate GST account.

**Q 23. How will the Supplier account for this TDS while filing his return?**

Ans. Any amount shown as TDS will be reflected in the electronic cash ledger of the concerned supplier. He can utilize this amount towards discharging his liability towards tax, interest fees and any other amount.

**Q 24. How will the TDS Deductor account for suchTDS?**

Ans. TDS Deductor will account for such TDS in the following ways:

1. Such deductors needs to get compulsorily registered under section 19 read with Schedule III of MGL.

2. They need to remit such TDS collected by the 10th day of the month succeeding the month in which TDS was collected and reported in GSTR 7.

3. The amount deposited as TDS will be reflected in the electronic cash ledger of the supplier.

4. They need to issue certificate of such TDS to the deductee within 5 days of deducting TDS failing which fees of Rs. 100 per day subject to maximum of Rs. 5000/- will be payable by such deductor.

Source:http://cbec.gov.in/resources//htdocscbec/deptt\_offcr/faqongst.pdf;jsessionid=825C7C194F0FC0652FFE5A809FE81F69

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