



STATE BANK OF INDIA

FINANCIAL REPORTING & TAXATION DEPARTMENT

CORPORATE CENTRE, MUMBAI

GST SECTION NEWSLETTER

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(For Internal Circulation only)

GST-TDS

❖ INTRODUCTION

GST-TDS is applicable with effect from 1st October 2018. GST-TDS is deducted at the rate of 2 % on payments made to the supplier of taxable goods and / or services, where the total value of such supply, under an individual contract **exceeds Rs. 2.5 lakhs**. Following are the major provisions in respect GST-TDS:

- Person liable to deduct TDS under GST law?
 - A department or an establishment of the Central Government or State Government; or
 - Local authority; or
 - Governmental agencies; or
 - Such persons or category of persons as may be notified by the Government.
- GST-TDS @2% is applicable if
 - Contract value of supply / Purchase of Goods and / Services exceeds Rs. 2,50,000/-
 - Vendor claims GST against proper invoice (invoice containing Bank's GSTIN, vendor's GSTIN, invoice number, invoice date, GST etc.)
- Example: If monthly rent payment of office premises is say Rs.10,000/-, rent agreement is for five years, contract value will be total rent for five years i.e. Rs.6,00,000/-. Thus, if vendor claims GST, GST-TDS will be applicable.
- GST-TDS is not applicable for goods / services procured from
 - Government
 - A PSU by another PSU.
 - Transactions between Local Authorities / Government Agency / Central / State Government Department / Notified person

❖ GST-TDS CERTIFICATE TO VENDOR

GST-TDS certificate will be generated only when the vendor accepts the record and files the GSTR-7A in GSTN portal using his login credentials.

❖ PROCEDURE FOR ACCEPTANCE OF GST-TDS RECORDS BY VENDOR IN GST PORTAL

- Login into GSTN portal (i.e., by Vendor)
- Go to Services > Returns > Returns Dashboard.
- Choose the 'Financial Year' & 'Return Filing Period' for the month in which GST-TDS payment was deducted.
- Select the tab 'TDS and TCS credit received' by clicking on the button 'PREPARE ONLINE'.
- Select the tab "TDS Credit Received". A summary page with records is displayed under it. Select the relevant records using the check boxes-against the GSTIN of Deductor or Collector (i.e. Bank's GSTIN).
- After selecting record(s), Click on either 'ACCEPT' or 'REJECT' button to accept / reject the record(s).
- After accepting the record, click on "proceed to file" and file the return.
- After filing the return, for records which were accepted by the vendor, GST-TDS amount will be reflected in cash ledger of the vendor.

❖ PROCEDURE FOR DOWNLOADING OF GST-TDS CERTIFICATE(S) BY VENDOR

- Login to GST Portal (Vendor)
- Go to Services > User Services > View / Download Certificates.
- Click on "TDS certificate link" under "View / Download Certificates" page.
- Select the GSTIN of Deductee (Bank) and click on search button.
- Click the Download link to download the TDS Certificate.
- The TDS Certificate will be displayed in PDF format.

❖ IMPORTANT ANNOUNCEMENT FOR BRANCHES:

- Payment of Invoices dated 1st April 2020 to 31st March, 2021 having GST component, that remain unpaid need to be paid or booked through VPS / IFAMs before 30th September 2021. Please refer e-circular no. CFO/FRT-SERTAX/5/2021-22 dated 22nd June 2021 for more details.